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ABSTRACT

This package of training materials is intended for participants in a workshop for administrators at institutions of higher education involved in administering student financial aid programs under Title IV of the Higher Education Act. The workshop agenda is divided into two segments of 28 sessions over 5 days. Segment 1 consists of 11 sessions concerned with general administration. Sessions cover: an introduction, overview of Title IV programs, student eligibility, institutional and program eligibility/participation, satisfactory academic progress, refunds and repayments, chief executive officer/president responsibilities, fiscal officer responsibilities, financial aid administrator responsibilities, evaluation, and segment wrap-up and evaluation. Segment 2 focuses on program delivery in 17 sessions on: the Free Application for Federal Student Aid; applying for Title IV aid; federal need analysis; federal output documents; verification, updating, and corrections; performing verification, updating, and corrections; calculating cost of attendance; the campus-based programs; processing campus-based awards, packaging, adjustments and professional judgment; calculating Federal Pell Grant cost of attendance; the payment voucher, institutional payment summary, and related reports; the Federal Family Education Loan Program and the William D. Ford Federal Direct Loan Program; certifying and delivering Federal Family Education loans; overpayments and overawards; Title IV reporting requirements; and segment wrap-up/evaluation. Appendices include a list of acronyms, a glossary, information resources, sources and citations, a financial aid calendar, and crosswords and word-searches. (Contains regulatory and other references for each section.) (DB)

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Precertification Training

1995-96

HE 029 289

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NOTICE

This material is intended to support the federal Title IV, HEA Programs Precertification Training Workshop, which provides trainees with a basic introduction to the administration of the federal Title IV programs. **Completion of the workshop does not absolve or lessen the continuing responsibility of participating institutional personnel to comply with the current laws, regulations, and policies concerning federalTitle IV program administration.**

The information in these sessions is based on legislation, regulations, and policies and procedures in effect as of **May 1, 1995**. However, a number of issues resulting from the 1992 Reauthorization of the Higher Education Act of 1965 were evolving at the time these materials were written. While every effort was made to include correct and complete information in this Guide, financial aid professionals are urged to rely on a number of additional technical reference materials and Dear Colleague letters in order to obtain the most accurate information possible. Any organization or institution using this material is on notice that new legislation, regulations, and procedures may have superseded the contents of this publication.

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Precertification Training

1995-96

General Administration Section

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Session 1 - Introduction to the Workshop and Training Materials

Main Objective: You will be able to recognize the main features of the workshop and use the workshop materials effectively.

USING THE WORKSHOP MATERIALS

In addition to this *Participant's Guide*, you should have received a copy of *The 1995-96 Federal Student Financial Aid Handbook.* Throughout the workshop, you will be making extensive use of the Handbook, as well as this Guide.

WORKSHOP AGENDA, GOALS, MAIN OBJECTIVES, AND TARGET AUDIENCE

The workshop agenda is divided into two segments, with a total of 28 sessions over five days.

- **Segment One, General Administration**, consists of Sessions 1 through 11, and is designed to take most of the first two days. Completing Segment One is mandatory for both the chief administrator and the financial aid administrator at a school in the certification process.

- **Segment Two, Program Delivery**, consists of Sessions 12 through 28, and is designed to begin toward the end of the second day, lasting just over three days. Segment Two must be completed by the financial aid administrator at a school seeking certification.

Title IV programs covered in this workshop:

- the Federal Pell Grant Program;

- the Federal Supplemental Educational Opportunity Grant Program, or FSEOG;

- the Federal Work-Study Program, or FWS;

- the Federal Perkins Loan Program;

- the subsidized Federal Stafford Loan Program;
- the Federal Unsubsidized Stafford Loan Program;
- the Federal PLUS Loan Program;
- the subsidized Federal Direct Stafford/Ford Loan Program;
- the Federal Direct Unsubsidized Stafford/Ford Loan Program; and
- the Federal Direct PLUS Loan Program.

Administering Higher Education Act (HEA) Title IV programs is a complex and time-consuming process. This workshop training covers only basic information. Therefore, additional study and ongoing training are necessary to ensure proper program administration.

USING FINANCIAL AID CONSULTANTS AND SERVICERS

The school and its officers have the ultimate responsibility for administering Title IV programs in accordance with laws and regulations. Any liabilities resulting from administering Title IV programs are solely the institution's.

ED's experience has shown that problems and financial liabilities might occur in Title IV program administration if an institution's on-site staff members do not fully understand their responsibilities and obligations. Therefore, if any of the chief administrators have designated a consultant as the only financial aid representative to attend the training, it is **strongly recommended** that an on-site financial aid employee from the institution **also** attend a future training workshop.

NASFAA (the National Association of Student Financial Aid Administrators) has a pamphlet called "On Choosing, Using, and Appraising a Student Financial Aid Consultant." Also, *Federal Registers*, dated April 29, 1994 and November 29, 1994, 34 CFR Parts 668, 682, and 690 (starting with Section 668.23), have requirements on third-party servicers regarding responsibilities, audits, and contracts with institutions.

Session 2 - Overview of the Title IV Programs

Main Objective: You will be able to identify and describe each main Title IV program as it relates to type of aid, intended recipients, applying for aid, need analysis, award determination, award limits, disbursement, and repayment (if any).

OVERVIEW OF THE TITLE IV STUDENT FINANCIAL AID PROGRAMS

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 2)

The goal of programs authorized by Title IV of the HEA is to help students finance their postsecondary education. Many of the Title IV programs covered in this training are awarded on the basis of a student's financial need

Cost of Attendance - Expected Family Contribution = NEED.

The amount a family (and student) can be expected to pay toward education expenses (Expected Family Contribution [EFC]) is determined by a standard federal formula, as are the expenses that can be included in the student's cost of attendance (COA).

Title IV aid can be awarded as gift aid, which includes grants and scholarships, or self-help aid in the form of loans or work.

Title IV gift-aid programs are:

- the Federal Pell Grant,
- the Federal Supplemental Educational Opportunity Grant (FSEOG),
- the State Student Incentive Grant (SSIG), and
- The Robert C. Byrd Honors Scholarship.

Title IV self-help programs are:

- the Federal Work-Study (FWS),
- the Federal Perkins Loan,

- the Federal Stafford Loan, including both subsidized and unsubsidized loans,
- the Federal PLUS Loan,
- the Federal Direct Stafford/Ford Loan, including both subsidized and unsubsidized loans, and
- the Federal Direct PLUS Loan.

A summary of these programs is provided at the end of this session.

APPLYING FOR TITLE IV AID

There are two main ways to apply for federal student aid: a paper application and an electronic application. Students use ED's official form—the Free Application for Federal Student Aid (FAFSA) or the Renewal FAFSA.

FEDERAL PELL GRANT PROGRAM

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 4)

The Federal Pell Grant provides grants to help needy undergraduate students meet the cost of postsecondary education. The annual award maximum is $2,340 in 1995-96.

CAMPUS-BASED PROGRAMS

Federal Supplemental Educational Opportunity Grant (FSEOG) Program

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 8)

FSEOG is a grant awarded to exceptionally needy undergraduate students to help pay for the cost of postsecondary education. The annual maximum is $4,000, except in the case of study abroad, where up to $400 more a year may be awarded.

Federal Work-Study (FWS) Program

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 7)

FWS provides on-campus and off-campus job opportunities to students attending eligible schools who need the earnings to help meet the cost of postsecondary education. There are no annual award maximum amounts.

Federal Perkins Loan Program
(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 6)

The Federal Perkins Loan Program provides low-interest loans to help students meet the cost of postsecondary education. The loan is based on need. The basic loan maximum is $3,000/year for undergraduates and $5,000/year for graduate/professional students.

FEDERAL FAMILY EDUCATION LOAN PROGRAM

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 10)

Federal Stafford Loan Program: Subsidized and Unsubsidized

Subsidized Federal Stafford Loan: Lenders use their own funds to make loans (with a federal interest subsidy and guarantee) to help financially needy students meet the cost of postsecondary education. The loan is based on need.

Federal Unsubsidized Stafford Loan: Lenders use their own funds to make loans (federally guaranteed) to students who want to borrow beyond their eligibility for subsidized Stafford Loans to help pay the cost of postsecondary education. The loan is not based on need.

The annual and aggregate loan maximums apply to the sum of subsidized and unsubsidized Stafford Loans, as detailed in Session 25 (for example, first-year dependent undergraduates may borrow a maximum of $2,625 between the two programs).

Federal PLUS Loan

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 10)

Lenders use their own funds to make loans (federally guaranteed) to parents on behalf of their dependent children to help pay the students' costs of postsecondary education.

WILLIAM D. FORD DIRECT LOAN PROGRAM

Federal Direct Stafford/ Ford Loans: Subsidized and Unsubsidized

Federal Direct Stafford/Ford Loan (Direct Subsidized Loan): The federal government lends money (but does not charge interest during certain periods) to students to meet the cost of postsecondary education. The loan is based on need.

Federal Direct Stafford/Ford Loan (Direct Unsubsidized Loan): The federal government lends money to students to meet the cost of postsecondary education. The loan is not based on need.

The annual and aggregate loan maximum apply to the sum of subsidized and unsubsidized Direct and non-Direct Stafford Loans, as detailed in Session 25 (for example, first-year dependent undergraduates may borrow a maximum of $2,625 between the two programs).

Federal Direct PLUS Loan

The federal government lends money to parents on behalf of their dependent children to help pay for the cost of postsecondary education. The loan is not based on need, but the parents cannot have an adverse credit history.

There are no fixed maximum amounts; the total cannot, however, exceed the student's COA.

A chart on the next page summarizes and provides references in *The 1995-96 Federal Student Financial Aid Handbook* and HEA regulations for each program discussed in this session.

Title IV Programs

Title IV Program	Description	Law (HEA)	Regulations	1995-96 SFA Handbook
Federal Pell Grant	Grants for undergraduate students with "exceptional financial need" who have not earned a bachelor's degree or a first professional degree.	Part A	Part 690	Chapter 4
Federal Supplemental Educational Opportunity Grant (FSEOG)	Grants for undergraduate students with "exceptional financial need." (Federal Pell Grant recipients with lowest EFCs.)	Part A	Part 676	Chapter 8
Federal Work-Study (FWS)	Self-help program that provides on-campus and off-campus employment to eligible undergraduate and graduate/professional students.	Part C	Part 675	Chapter 7
Federal Perkins Loan	Low-interest loans for financially needy undergraduate and graduate/professional students.	Part E	Part 674	Chapter 6
Federal Direct Stafford/Ford Loan	Federal government provides funds to make federally subsidized low-interest loans to students. "Federally subsidized" means the government does not charge interest while the student is in school, in a grace period, and/or in an authorized deferment.	Part D	Part 685	N/A
Federal Direct Unsubsidized Stafford/Ford Loan	Enables students who don't qualify for interest subsidies to obtain unsubsidized loans. The terms/ conditions are usually the same as Federal Direct Subsidized Loans.	Part D	Part 685	N/A
Federal Direct PLUS Loan	Loans to parents for college expenses of their dependent undergraduate children.	Part D	Part 685	N/A
Federal Stafford Loan	Lenders use their own funds to make federally subsidized low-interest loans to students. "Federally subsidized" means the government does not charge interest while the student is in school, in a grace period, and/or in an authorized deferment.	Part B	Part 682	Chapter 10
Federal Unsubsidized Stafford Loan	Enables students who don't qualify for interest subsidies to obtain unsubsidized loans. The terms/ conditions are usually the same as Federal Stafford Loans.	Part B	Part 682	Chapter 10
Federal PLUS Loan	Loans to parents for college expenses of their dependent undergraduate children.	Part B	Part 682	Chapter 10
State Student Incentive Grant (SSIG)	Grant program in which the federal share is matched with state funds and is administered at the state level.	Part A	Part 692	Chapter 9

Session 3 - Student Eligibility

Main Objective: You will be able to recognize student eligibility requirements and identify the required corresponding documentation.

GENERAL STUDENT ELIGIBILITY CRITERIA

(*The 1995-96 Federal Student Financial Aid Handbook,* Chapter 2)

Student eligibility for Title IV financial aid must be established before disbursing funds to aid recipients.

Please read Chapter 2, "Section One: Student Eligibility."

FINANCIAL NEED

(*The 1995-96 Federal Student Financial Aid Handbook,* Chapter 2)

With the exception of unsubsidized Stafford Loans, Direct Unsubsidized Loans, Federal PLUS Loans, and Direct PLUS Loans, a student must demonstrate financial need to be eligible for Title IV aid. Financial need *equals* the student's cost of attendance *minus* the Expected Family Contribution (EFC):

Need = COA - EFC

- o **When to check**: Each time the student applies for Title IV aid or when special circumstances warrant an additional review of the student's financial need.
- o **Where to check**: The aid application, SAR, ISIR, and/or nonfederal output documents.

FINANCIAL AID TRANSCRIPT

(*The 1995-96 Federal Student Financial Aid Handbook,* Chapter 3)

To be eligible for Title IV aid, a transfer student must have all previously attended postsecondary institutions provide a signed financial aid transcript (FAT) to the current school.

- **When to check**: Prior to disbursing Title IV funds to a student for the first time (or certifying a PLUS or Direct PLUS application).
- **Where to check**: The student's aid application and admissions records in the admissions, registrar's, or counselor's offices.

A school may make a first payment for **one** payment period without liability.

Exceptions: Current schools are not required to receive a completed financial aid transcript from the following:

1. a closed school, if records are no longer available (however, you must obtain written confirmation from ED that these records are no longer available—see the address to write to in Chapter 3 of the Handbook);
2. a foreign school;
3. a previous school where the student did not receive any Title IV aid, if the school has sent a written certification stating this; or
4. a previous school, if the school sends a written statement that the record-retention requirements have expired and the records are no longer available.

Please refer to the model financial aid transcript in the Handbook on pages 3-71 and 3-72.

VERIFICATION

(*The Verification Guide, 1995-96*)

Verification is the process of checking specific information provided by a student on the application for federal aid. Each award year, certain applications are selected for verification by ED's Central Processing System (CPS). Until verification is completed, there are restrictions on disbursing awards to these students (see Session 16).

General Student Eligibility Checklist

☐ The student is a **U. S. citizen** or **eligible noncitizen**. (Check the appendix in Chapter 2 of *The 1995-96 Federal Student Financial Aid Handbook* for details.)

☐ The student is a **regular student** enrolled or accepted for enrollment in an eligible program for the purpose of obtaining a degree or certificate.

☐ The student has met the **academic qualifications** for study at the postsecondary level. (Student has a high school diploma or recognized equivalent [such as a GED] **or** is beyond the age of compulsory school attendance and has passed an ED-approved examination or followed a state-prescribed process.)

☐ The student is **not** enrolled **in an elementary school, middle school, or secondary school**.

☐ The student is enrolled **in an eligible program**.

☐ The student is not enrolled only in **remedial courses**.

☐ The student is **maintaining satisfactory academic progress**.

☐ The student has signed a **Statement of Educational Purpose**.

☐ The student has signed a **Certification Statement on Refunds and Default**.

☐ The student has signed a **Statement of Registration Status** (if necessary).

☐ The student has borrowed **no more than the annual loan limits** this award year.

☐ The student is **not** subject to restrictions as **a member of a religious order; because of incarceration; or because of taking correspondence courses**.

☐ The student has **financial need**.

☐ A **financial aid transcript(s)** was obtained from the school (or schools) previously attended by the student.

☐ **Verification** (if required) has been completed.

Program-Specific Student Eligibility Criteria

Program	Who is Eligible?	Criteria
Federal Pell Grant	• Undergraduates only • May not have bachelor's or first professional degree	• Students must have a SAR, or ISIR on file with the school • Less-than-full-time, including less-than-half-time, students are eligible ◇ Less-than-half-time students must have an EFC of 1500 or less ◇ Less-than-half-time students were not eligible for 1990-91, 1991-92, and 1992-93 • Members of religious orders are not eligible
FSEOG	• Undergraduates only • May not have bachelor's or first professional degree	• Must be awarded first to students with exceptional financial need (that is, lowest EFCs) • Priority to students with exceptional financial need who are eligible for Federal Pell Grants
Federal Perkins Loan	• Undergraduates • Graduate students • Professional students	• Priority to students with exceptional financial need (as defined by the school) • Students must be willing to repay their loans • Must have determination of Federal Pell Grant eligibility • May not be in medical internship or residency
FWS	• Undergraduates • Graduate students • Professional students	• See comments below for "FSEOG, Federal Perkins Loan, and FWS"
FSEOG,* Federal Perkins Loan, and FWS	• Undergraduates only* • Graduate students • Professional students	• Demonstrate need according to Federal Need Analysis Methodology • Less-than-full-time, including less-than-half-time, students are eligible ◇ Under certain circumstances, 5% of a school's allocation of campus-based funds must be awarded to less-than-full-time students and nontraditional students • Members of religious orders are not eligible
Federal Stafford Loan and Federal Direct Stafford/Ford Loan	• Undergraduates • Graduate students • Professional students • Students enrolled in courses prerequisite to enrollment in a degree or certificate program • Students enrolled in a teacher certification program	• Students must: ◇ Be enrolled at least half time ◇ Demonstrate financial need according to the Federal Need Analysis Methodology • Eligibility for Federal Pell Grants must be determined prior to certifying loan applications and, if eligible, students must apply for Federal Pell Grants • Members of religious orders are not eligible
Federal Unsubsidized Stafford Loan and Federal Direct Unsubsidized Stafford/Ford Loan	• See Federal Stafford Loan and Federal Direct Stafford/Ford Loan	• Students do not have to demonstrate need • Student eligibility for Federal Pell Grant and Federal Stafford or Federal Direct Stafford/Ford must be determined • Students must apply for Federal Stafford or Federal Direct Stafford/Ford first; EFA includes Stafford or Direct Stafford/Ford loan amount for which students are eligible • Student must be enrolled at least half time
Federal PLUS Loan and Federal Direct PLUS Loan	• Parents of eligible dependent undergraduate students	• Students for whom the parents borrow must be eligible, regular students enrolled at least half time • Parents must: ◇ Meet same citizenship requirements as an eligible student ◇ Not be in default on a Title IV loan ◇ Not owe a refund on a Title IV grant ◇ Not have an adverse credit history

Session 4 - Institutional Eligibility and Participation and Program Eligibility

Main Objective: You will be able to identify Title IV eligibility criteria for postsecondary schools, the processes necessary to obtain and maintain participation in Title IV aid programs, and the requirements that educational programs must meet to be eligible for Title IV funding.

REQUIREMENTS FOR INSTITUTIONAL ELIGIBILITY

(*The 1995-96 Federal Student Financial Aid Handbook,* Chapter 3)

There are three types of eligible postsecondary institutions (see *The 1995-96 Federal Student Financial Aid Handbook*). The major differences relate to the type of **control** (public, private, nonprofit, or for-profit) and the **eligible educational programs** that a school offers.

Refer to page 3-6 and check the definition(s) that apply to your school:

_____ **institution of higher education**
_____ **proprietary institution of higher education**
_____ **postsecondary vocational institution**

Remember, most schools fit more than one definition. Refer to pages 3-7 through 3-22 for additional eligibility information about:

- Control and Legal Authorization
- Accreditation
- Admissions Standards
- Other Eligibility Factors
- The 85 Percent Rule
- "Two-Year" Rule
- Program Eligibility Requirements

APPLYING FOR INSTITUTIONAL PARTICIPATION

(*The 1995-96 Federal Student Financial Aid Handbook,* Chapter 3)

If you have any questions on the process, please call the appropriate ED office listed below:

- eligibility and participation questions: 202-401-6485
- precertification training questions: 202-708-9408

The process of applying to participate in Title IV programs is described in the Handbook. ED's Institutional Participation Division (IPD) considers three main factors in deciding whether to grant or deny participation:

- institutional eligibility,
- administrative capability, and
- financial responsibility.

If approved for participation, a school will receive an Approval Notice and one copy of the Program Participation Agreement (PPA) signed by an ED official.

REQUIREMENTS FOR CONTINUED PARTICIPATION

(*The 1995-96 Federal Student Financial Aid Handbook,* Chapter 3)

Schools must maintain:

- accreditation,
- licensing, and
- continued compliance with Title IV requirements.

They also must renew approval to participate in Title IV programs prior to the expiration of their current approval.

Program Integrity Triad

(*The 1995-96 Federal Student Financial Aid Handbook,* Chapter 3)

Schools must be reviewed by:

- a nationally recognized accrediting agency,

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- the state in which they are located (as referred), and
- ED.

This collaborative review process is known as the Program Integrity Triad. See *The 1995-96 Federal Student Financial Aid Handbook,* Chapter 3, for additional information about:

- Nationally Recognized Accrediting Agency
- State Postsecondary Review Program (SPRP)
- State Postsecondary Review Entity (SPRE)—This is a state entity that reviews schools in its state that have been referred by ED to determine eligibility for Title IV participation and compliance with state standards. The criteria used to select the schools to be referred are on page 4 of this Guide.

Loss of Eligibility
(*The 1995-96 Federal Student Financial Aid Handbook,* Chapter 3)

Loss of eligibility will occur if schools fail to meet eligibility requirements *or* if they close *or* if they cease to provide eligible educational programs. However, schools must still fulfill the various obligations to ED described in the Handbook.

ED may take corrective actions and impose sanctions on schools, such as:

- forcing schools to repay any improperly used Title IV funds *or*
- imposing fines or limitations, suspension, or termination actions.

Statutory Criteria for Referring Schools to SPREs

If a school meets one or more of these review criteria, then ED will refer the school to the SPRE for review:

- a cohort default rate equal to or greater than 25%;
- a cohort default rate equal to or greater than 20% **and**
    - ✧ more than two-thirds of the school's undergraduates enrolled at least half-time receive Title IV aid; *or*
    - ✧ at least two-thirds of the school's expenditures are derived from Title IV funds;
- at least two-thirds of the school's expenditures are derived from Federal Pell Grant funds;
- a limitation, suspension, or termination action was taken by ED against the school within the past five years;
- the school was required to repay at least 5% of the Title IV program funds it received for any one year as a result of an audit finding(s) during either of its most recent audits;
- the school was cited by ED for failure to submit acceptable audits in a timely fashion;
- an annual fluctuation of more than 25% in the school's Federal Pell Grant, Federal Stafford Loan, or Federal SLS dollar volume that was not the result of a change in the student financial aid programs;
- the school's failure to meet the financial responsibility standards in 34 CFR part 668, subpart B of the 1992 reauthorization of the Higher Education Act;
- a change in the school's ownership that results in a change of control;
- the school has participated in any Title IV program for less than five years, **excluding**:
    - ✧ any public institution affiliated with a state system of higher education; *or*
    - ✧ participation for less than five years in SSIG or Direct Loan Program; and
- a pattern of complaints from students, faculty, and others against the school related to:
    - ✧ the school's management or conduct of the Title IV programs; *or*
    - ✧ misleading or inappropriate advertising and promotion of the school's program.

Session 5 - Satisfactory Academic Progress

Main Objective: You will be able to recognize required elements of a school's written satisfactory academic progress (SAP) policy.

ESTABLISH, PUBLISH, AND APPLY REASONABLE STANDARDS OF SATISFACTORY ACADEMIC PROGRESS (SAP)

(*The 1995-95 Federal Student Financial Aid Handbook*, Chapter 2, and *Federal Registers*, April 29, 1994 and November 29, 1994, 34 CFR Part 668.16(e))

The school's SAP policy must conform with standards set by its nationally recognized accrediting agency and these standards must meet all the established federal regulatory requirements.

REQUIRED COMPONENTS OF A SATISFACTORY ACADEMIC PROGRESS POLICY

(*The 1995-95 Federal Student Financial Aid Handbook*, Chapter 2, and *Federal Registers*, April 29, 1994 and November 29, 1994, 34 CFR Part 668.16(e))

Qualitative Measure

The SAP policy must include a qualitative measure that uses grades, work projects, or other comparable factors measured against a norm for measuring a student's academic progress.

- Example 1: Some schools compute grades on a cumulative basis and a specific grade point average must be maintained within each term or portion of the program. A policy might read: *"The student must maintain at least a quarterly GPA of at least 2.0 and have a cumulative GPA of at least 2.0."*
- Example 2: Some schools compute grades on a letter grade average and clinical evaluation. A policy might read: *"The student must maintain an overall grade average of at least 'C' for theory courses and receive at least a 'satisfactory' rating at each evaluation of clinical performance."*

Quantitative Measure

The SAP policy must include a quantitative measure where schools set a maximum time frame in which students are expected to complete the program. The time frame must be divided into equal increments (none longer than half the program or one academic year, whichever is less) where schools compare the amount of work attempted to the amount of work successfully completed to measure if students are progressing at a completion rate within the maximum time frame.

Schools must establish a schedule designating the minimum percentage or amount of work that students must successfully complete at the end of each increment. This schedule is at the discretion of the school. For example, schools may establish a schedule that:

- requires an equal percentage or amount of work to be successfully completed in each increment period;

- requires a graduated percentage or amount of work to be successfully completed, which allows for a more lenient completion standard in the early periods of enrollment; *or*

- requires a minimum average number of clock hours to be successfully completed per time interval in a specific program.

  - Example 1: Equal amounts of work completed at the end of each academic year. A policy might read: *"Students must complete their bachelor's degrees within five academic years of full-time study—an academic year equals two semesters plus summer sessions (or ten academic years of part-time study enrollment for 23 credits or less in an academic year)—according to the following schedule:"*

After this number of academic years	1	2	3	4	5	6	7	8	9	10
A full-time student must have earned at least this number of credits	24	48	72	96	120					
A part-time student must have earned at least this number of credits	12	24	36	48	60	72	84	96	108	120

- Example 2: Graduated amounts of work completed at the end of each academic year. A policy might read: *"Students must complete their bachelor's degrees within five academic years of full-time study—an academic year equals two semesters plus summer session (or ten academic years of part-time study enrollment for 23 credits or less in an academic year)—according to the following schedule:"*

After this number of academic years	1	2	3	4	5	6	7	8	9	10
A full-time student must have earned at least this number of credits	20	42	66	92	120					
A part-time student must have earned at least this number of credits	10	20	30	42	54	66	79	92	106	120

- Example 3: Hours attempted with graduated percentages of work completed at the end of each academic year. A policy might read: *"Students may attempt up to a maximum of 160 credit hours while pursuing their 120 credit hour bachelor's degrees. At the end of each academic year consisting of two semesters and the summer session, the student's progress will be determined according to the following schedule:"*

After this number of academic years	1	2	3	4	5	6	7	8	9	10
A full-time student must have earned at least this number of credits	33	65	96	128	160					
A part-time student must have earned at least this number of credits	55%	60%	65%	70%	75%					

- Example 4: A minimum average number of clock hours completed per time interval in a specific program. A policy might read: *"Full-time students enrolled in the day division who contract for 40 clock hours per week are required to successfully complete an average of at least 120 clock hours per month up to a maximum of ten months. Part-time students enrolled in the evening division who contract for 20 clock hours per week are required to successfully complete an average of at least 60 clock hours per month up to a maximum of twenty months."*

Nonpunitive Grades and Courses

The SAP policy must define the meanings of "nonpunitive grades," "repeated course," "remedial courses," and related factors that have any effect on the qualitative and quantitative measures of SAP.

- **Incompletes**: Schools must determine at what point an "incomplete" grade reverts to a failure.
- **Withdrawals**: Schools must determine at what point a withdrawal is without penalty to the student's grade point average.
- **Course repetitions**: Schools must define what effect repeating courses has on the student's grade point average.
- **Noncredit remedial courses**: Schools should specify the effect noncredit remedial courses have on SAP.
  - Example 1: Exclusion of "F" grades and nonpunitive grades toward the educational objective. A policy might read: *"The following will not be considered as successfully completed credits:*

'F'	*failing grades,*
'I'	*incompletes,*
'W'	*withdrawals, and*
'U'	*unofficial withdrawals."*

  - Example 2: The effect of noncredit remedial courses on SAP. A policy might read: *"A maximum of five noncredit remedial courses will be considered as successful completions unless enrollment in additional similar courses is approved by the academic dean."*

- Example 3: Inclusion of course repetitions in the time frame and the GPA calculation. A policy might read: *"Courses that are repeated, if the student receives a passing grade, will count in the calculation of hours attempted and completed hours earned; however, all grades received for the courses will be included in calculating the GPA."*

Student Appeal Process

A school's SAP policy must also include procedures for students to appeal negative determinations and requirements for aid to be reinstated. A mechanism for evaluating individual mitigating circumstances in the SAP determination may be established as part of the school's SAP policy to determine if a student is still maintaining SAP. Any consideration of such circumstances must be documented in the student's file. A SAP appeal policy might read:

Sample Appeal Policy for SAP

"On written appeal by a student, failure to meet one or more of the satisfactory progress requirements will be evaluated by the financial aid administrator. A student will be notified of the decision within two weeks of the financial aid office receiving the written appeal request. The following types of information may be considered in determining if a student is still maintaining satisfactory progress:

1. Unusual circumstances, such as extended illness;
2. Participation in campus tutoring or support services;
3. Class attendance and completion of assignments; and
4. Changes in educational objective.

If students are terminated from receiving financial aid for failure to maintain satisfactory academic progress, before eligibility for aid can be reinstated they must meet all requirements for minimum overall grade and cumulative credits earned for their academic level. Periods of nonenrollment in school have no effect on a student's satisfactory academic progress on reentering."

Consistent Application

SAP standards must be applied consistently to all students or categories of students. Title IV aid recipients may not be considered a separate category for determining SAP.

- Example: Schools may establish a less stringent standard for a category of educationally disadvantaged students who, while pursuing their bachelor's degrees, are also enrolled in a series of remedial courses.

Conditional or Probationary Period

A school may include a reasonable probationary period in its written SAP policy. Probation may be applied as a blanket-type policy to all students who fail to meet one or more SAP requirements. An individual case examination is not necessary. If a student is placed on probation, this fact must be made a part of the student's record. A probationary period policy might read:

Example 1: One-Academic-Year Probation

"Students who fail to meet one or more of the satisfactory progress minimum requirements will be placed on satisfactory progress probation for one academic year. During that academic year, students must meet the stated minimum grade requirement and complete enough work to meet the cumulative amount of work for that academic year as defined by the school's credit-completion chart. The second time students fail to meet one or more requirements, they will no longer be making satisfactory progress and will be ineligible for federal financial aid for the following academic year."

Example 2: One-Month Probation

"Full-time students whose satisfactory completion rate falls below an average of 120 clock hours per month will be placed on probation for one month. During this time students must complete enough clock hours to raise their average back up to 120 clock hours. Failure to raise their average within that month means students are not maintaining satisfactory progress, and they are ineligible for federal financial aid until that average is raised to the required minimum."

Additional Requirements

Schools must check academic progress at the end of each academic year. At the end of the second academic year, students must have at least either a "C" average or its equivalent *or* have academic standing consistent with graduation requirements to be considered as making satisfactory academic progress. The school's SAP policy should define the terms "equivalent of a 'C' average" and "academic standing consistent with graduation requirements."

This requirement may be waived if failure to meet it is due to special circumstances, such as the student's injury or illness, death of a student's relative, or other special circumstances that result in undue hardship to the student. The reasons for any waivers must be documented by the financial aid administrator.

An SAP checklist and two comprehensive examples of SAP policies are provided in the appendix at the end of this session.

Appendix: Sample SAP Policies and SAP Checklist

Satisfactory Academic Progress (SAP) Policy for Broadway University (Term)—Sample

To be making satisfactory academic progress toward a degree or certificate, a student must maintain at least the specified grade point averages (GPAs), as well as proceed through the program at a pace leading to completion in a specified time frame. Satisfactory progress is measured at the end of each quarter.

Required Grade Point Averages (GPA)

Following every quarter, the GPA and number of credits successfully completed will be determined and documented in each student's official record. A student achieving at least the averages specified in the chart below will be considered to be making satisfactory progress. Students pursuing the 90-quarter-hour program may attempt up to a maximum of 120 quarter hours. At the end of each quarter, the student must also have successfully completed at least 75% of all the hours attempted in that quarter. Students not successfully completing the required minimum must make up the deficiency in the following quarter in which they enroll. If the required minimum and the deficiency are not successfully completed in the following quarter, the student is no longer considered to be making satisfactory progress.

After attempting this number of credit hours	30	60	90	120
A student must have at least this cumulative GPA	1.5	1.75	1.9	2.0

In addition to the above criteria, a student receiving Title IV assistance needs to have at least a "C" average (or a 2.0 equivalent) or academic standing consistent with graduation requirements (which is 1.75 by the end of the second academic year). This requirement will be reviewed at the end of the first academic year and then again at the end of the second academic year.

In the event that a student fails to meet any of the above criteria in a particular quarter, the student will be placed on probation for one quarter. A student in this category may receive financial aid for the upcoming quarter, but must meet the stated minimum and the GPA requirement. The second time that a student fails to meet one or more of the requirements, the student will no longer be making satisfactory progress and will be ineligible for Title IV financial aid for the following academic year.

Appeal Procedures

If a student is found to be ineligible for federal financial aid because academic requirements were not met, the student may appeal this decision to the school's Director of Financial Aid by indicating—in writing—the reasons why the minimum academic requirements were not met and why aid should not be terminated.

The Director of Financial Aid will review the appeal and determine whether suspending aid is justified. The student will be advised, in writing, of the decision.

To reestablish satisfactory progress after being terminated from aid, a student must improve his/her academic standing to meet the designated standards.

Treatment of Incompletes and Withdrawal

Any of the following grades received for a course will not be considered as successfully completed credits:

"F" failing grades,
"W" withdrawal,
"I" incomplete, and
"U" unofficial withdrawal.

Students may repeat a course only once. The highest grade earned in a course that is repeated will count in the GPA calculation. The repeated course will count in the calculation of hours attempted and hours completed.

Periods of nonenrollment in school have no effect on a student's satisfactory progress on reentering.

Remedial Coursework

A maximum of six noncredit remedial courses will be considered successful completions unless enrollment in additional noncredit remedial courses is approved by the academic dean.

Sample Satisfactory Academic Progress (SAP) Policy for Birmington College (Nonterm)

To be making satisfactory academic progress toward a degree or certificate, students must maintain at least specified grade averages and proceed through the program at a pace leading to completion within a specified time frame. Satisfactory progress will be measured every 4.5 months (or every 18 weeks).

Required Grade Averages

At the end of each increment (4.5 months), the cumulative grade average will be determined and documented in each student's official record. Students must maintain minimum grade averages.

After this number of months	4.5	9	13.5	18
Students must have at least this cumulative grade average	60	65	70	70

Required Completion Rate

In addition to the cumulative grade average listed above, students must also be progressing toward successful completion of the program within a maximum time frame. Students in this program contract for 25 hours per week and must successfully complete the program within 18 months at the following rate:

After this number of months	4.5	9	13.5	18
Students must have successfully completed at least this number of clock hours	300	600	900	1200

Probation and Reinstatement Procedures

In the event that a student fails to meet any of the above criteria at a particular increment (every 4.5 months), the student will be placed on probation for one increment period. A student in this category may receive financial aid for the following 4.5 month period, but must meet the stated minimum grade requirement and complete enough hours to meet the total hours for that period (as defined on the school's completion chart) before receiving additional aid.

The second time that a student fails to meet one or more of the requirements, the student will no longer be making satisfactory progress and will be ineligible for federal financial aid. Students terminated from aid can reestablish eligibility by successfully completing the required number of hours and by attaining the overall cumulative grade average at the end of the next increment. Periods of nonenrollment in school have no effect on the student's satisfactory progress on reentering.

All grades are given in numeric averages, there are no punitive grades. The lowest grade average to pass a class is 60. Hours completed below this minimum average will not be considered successfully completed. However, a student must achieve a cumulative grade average of at least 70 in order to graduate.

Appeal Procedures

If a student is found to be ineligible for federal financial aid because satisfactory progress requirements were not met, the student may appeal this decision to the school's Director of Financial Aid by indicating—in writing—the reasons why the minimum requirements were not met and why aid should not be terminated.

The Director of Financial Aid will review the appeal and determine whether suspending aid is justified. The student will be advised, in writing, of the decision.

Treatment of Incompletes and Withdrawal

Students may repeat a course only once. The highest grade earned in a course that is repeated will count in the grade average calculation.

Periods of nonenrollment in school have no effect on a student's satisfactory progress on reentering.

Remedial Coursework

A maximum of six noncredit remedial courses will be considered successful completions unless enrollment in additional noncredit remedial courses is approved by the academic dean.

Satisfactory Academic Progress (SAP) Policy Checklist

Instructions: Using the following checklist review your SAP policy for compliance with Title IV program requirements.

Conformance with Accrediting Agency Standards

- ☐ Does the school's nationally recognized accrediting agency have standards of satisfactory progress?
- ☐ If the school's policy conforms with its accrediting agency's standards, does it meet all of the Title IV program requirements? [Sections 668.7(c) and 668.16(e)

Same as or Stricter than Standards for Non-Title IV Aid Recipients

- ☐ Are all elements of the school's policy for Title IV aid eligibility the same as or stricter than the general standards for students enrolled in the same academic program(s) who are not receiving Title IV aid?

A Qualitative Measure

- ☐ Does the school's policy include the use of grades or other qualitative factors which are measurable against a norm? The policy includes the following qualitative factors:

  ____

  ____

  ____

- ☐ Does the school check that the student is making satisfactory academic progress each payment period (even if its increment for measuring quantitative progress is an academic year)?

A Quantitative Measure

- ☐ Does the school's policy set a maximum time frame for completion of the degree(s) and certificate(s) it offers? The policy sets the following maximum time frame(s) for:
  - [ ] full-time study
  - [ ] three-quarter-time study
  - [ ] half-time study
  - [ ] less-than-half-time study
- ☐ Does the school's policy divide the maximum time frame into increments (not to exceed one academic year)? The policy divides the time frame into the following increments:

  ____

  ____

  ____

- ☐ Does the school determine a student's quantitative progress at least once during programs that are one academic year or less in length?

- ☐ Does the school choose to include summer sessions in the length of the increments into which the maximum time frames are divided?
- ☐ Does the school's policy establish a minimum schedule of work that must be successfully completed at the end of each increment to complete the degree or certificate within the maximum time frame? That schedule is:
- ☐ Does the school use its option to equate the maximum time frame to a maximum number of hours that could be attempted? The maximum number of hours that can be attempted are:
- ☐ If the school chooses to set a maximum number of attempted hours, does it set a minimum percentage of hours attempted that must be successfully completed at the end of each increment to complete the degree or certificate within the maximum hours attempted? The minimum percentage of hours to be completed is:
- ☐ Does the schedule of work or minimum percentage of hours in the school's policy specify that the work must be successfully completed and what successful completion means?

Consistent Application

- ☐ Does the school choose to establish specific standards in its policy for different categories of students and for different programs?
- ☐ Do the standards for each category or program meet all of the Title IV program requirements?
- ☐ Does the school choose to detail in its policy how its standards are applied to transfer students?

Nonpunitive Grades and Courses

- ☐ Does the school's policy define the effect on satisfactory progress of the following?
  - ☐ course incompletes
  - ☐ withdrawals
  - ☐ course repetitions
  - ☐ noncredit remedial courses

Appeal

- ☐ Does the school's policy include specific procedures to be followed after an adverse determination for the evaluation of a student's mitigating circumstances when presented on appeal?

- ☐ Does the school choose to specify in its policy the mitigating circumstances that will be evaluated?
- ☐ Does the school choose to include in its policy a blanket-type probationary period?
- ☐ Does the school's policy detail the student's responsibilities during the probationary period (due to mitigating circumstances or a blanket-type decision)?

Reinstatement of Aid

- ☐ Does the school's policy include specific procedures and minimum requirements for reinstatement of aid after a student's aid has been terminated for lack of satisfactory academic progress?

Other Requirements

- ☐ Does the school's policy include requirements for reviewing student's academic progress at the end of each academic year?
- ☐ Does the school's policy include requirements that after the student's second academic year the student must have at least a "C" average or equivalent, or academic standing consistent with graduation requirements?
- ☐ Does the school's policy identify "equivalent of a C average" and "academic standing" consistent with graduation requirements?
- ☐ Does the school's policy include waiver procedures, if a student does not meet SAP requirements due to death of a student's relative, student illness or injury, or other special circumstances which the financial aid administrator can document?

General

- ☐ Is the school's complete policy published in appropriate publications?
- ☐ Does the school disseminate these publications to all enrolled students and to prospective students upon request?
- ☐ Are all of the school's standards within its overall policy consistent with each other?
- ☐ Does the school maintain records regarding whether each student who receives Title IV aid is maintaining satisfactory academic progress according to its published policy?

Session 6 - Refunds and Repayments

Main Objective: You will be able to describe the requirements for a fair and equitable refund and repayment policy.

OVERVIEW OF REFUNDS AND REPAYMENTS

(*The 1995-96 Federal Student Financial Aid Handbook,* Chapter 3).

General Principles and Definitions

(*The 1995-96 Federal Student Financial Aid Handbook,* Chapter 3)

Refunds and repayments can occur when a student:

- withdraws,
- drops out,
- is expelled,
- takes an unapproved leave of absence, *or*
- fails to return from an approved leave of absence.

Refunds are payments for institutional charges that must be returned to the student or to financial aid sources after the student ceases to be enrolled.

Repayments are aid disbursed in cash to the student for non-institutional charges that must be repaid after the student ceases to be enrolled.

Requirement for Fair and Equitable Institutional Refund Policy

(*The 1995-96 Federal Student Financial Aid Handbook,* Chapter 3)

A fair and equitable refund policy provides a refund that is the largest of:

- the refund required by state law;
- the refund required by the school's nationally recognized accrediting agency and approved by ED; *or*
- the statutory or *pro rata* refund, if applicable.

If the state, accrediting agency, or *pro rata* refund policy does not apply, then calculate the larger of:

- the refund calculated under the school's policy *or*
- the refund calculated under the Federal Refund Policy.

REQUIREMENTS PRIOR TO CALCULATING REFUNDS AND REPAYMENTS

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 3)

Credit Balances

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 3)

A school must eliminate any credit balance on the student's account prior to calculating a refund or repayment.

If a credit balance exist on a student's account the school must determine whether Title IV funds that make up part of the credit balance should be:

- given to the student *or*
- returned to the federal student aid programs.

Calculating Unpaid Charges

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 3)

All refund calculations, with the exception of *pro rata*, must take into account unpaid institutional charges.

A student may have unpaid charges if:

- all of the student's aid has not been disbursed *or*
- the student has not made all the scheduled cash payments.

A student's scheduled cash payments are the total school charges at the time of the student's withdrawal ***minus*** total financial aid paid to school charges for the payment period (including any allowable late disbursements of Title IV or state aid).

A student's unpaid charges are cash paid by the student ***minus*** the student's scheduled cash payment.

THE WITHDRAWAL RECORD

(*The 1995-96 Federal Student Financial Aid Handbook,* Chapter 3)

The Withdrawal Record collects and organizes:

- the student's withdrawal date (or last day of attendance);
- the period of enrollment (length of enrollment period) for which the student was charged; and
- for that enrollment period—
  - the student's education costs,
  - the amount paid to institutional costs, and
  - cash payments to the student.

The Withdrawal Record can be found on page 3-82, in Chapter 3 of *The 1995-96 Federal Student Financial Aid Handbook.*

CALCULATING REFUNDS AND REPAYMENTS

(*The 1995-96 Federal Student Financial Aid Handbook,* Chapter 3)

Non-*Pro Rata* Refund

(*The 1995-96 Federal Student Financial Aid Handbook,* Chapter 3)

Refer to Example 1: Cornwell College on page 9. (Example 1 starts on page 6.)

Pro Rata Refund

Refer to Example 1 on page 10 and Example 2 on page 15.

Accrediting Agency Refund

(*The 1995-96 Federal Student Financial Aid Handbook,* Chapter 3)

Refer to Example 2: Lynley Institute on page 14. (Example 2 starts on page 11.)

Repayments

Refer to Example 2 on page 16.

Allocating Refunds and Repayments

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 3)

Refunds must be returned in the following order:

1. Unsubsidized Federal Stafford Loan
2. Subsidized Federal Stafford Loan
3. Federal PLUS Loan
4. Federal Direct Unsubsidized Loan
5. Federal Direct Subsidized Loan
6. Federal Direct PLUS Loan
7. Federal Perkins Loan Program
8. Federal Pell Grant Program
9. Federal Supplemental Educational Opportunity Grant (FSEOG) Program
10. Other Title IV Programs

Any money remaining after returning all Title IV funds received for the enrollment period must be allocated in the following order:

1. Other federal, state, private, or institutional financial aid programs
2. The student

Repayments must be allocated in the following order:

1. Federal Perkins Loan Program
2. Federal Pell Grant Program
3. Federal Supplemental Educational Opportunity Grant (FSEOG) Program
4. Other non-loan Title IV Programs
5. Other state, private, or institutional student financial aid programs

OTHER RELATED REQUIREMENTS

(*The 1995-96 Federal Student Financial Aid Handbook,* Chapter 3)

Published Policies and Procedures

Schools must provide a "clear and conspicuous written statement" to prospective students and enrolled students that must include:

- the manner in which aid is applied and disbursed,
- how institutional refunds and repayments are calculated,
- how refund and repayment monies are distributed,
- operational policies that outline systems for checking on enrollment and other administrative responsibilities,
- how a student gets a refund,
- examples applying refund and repayment policies, and
- cost of a student's required supplies and equipment.

Timely Processing

If the student received a loan under Federal Family Education Loan (FFEL) Program, refund within 60 days of the earliest of:

- the date student notifies the school of withdrawal;
- the date that the school determines that the student has withdrawn;
- the last day of the term (semester, trimester, or quarter) in which the student withdrew; *or*
- the end of enrollment period for which the loan was made.

For the Federal Perkins Loan, Federal Pell Grant, FSEOG, and Direct Loan Programs, the school must return the refund to the program account within 30 days of the date:

- the student officially withdraws, is expelled, does not return from an approved leave of absence, or takes an unapproved leave of absence *or*
- the school determines that the student has dropped out.

EXAMPLE 1—
CORNWELL COLLEGE

- *Statutory* pro rata *refund based on student's first-time attendance at the school*
- Non-pro rata *refund based on state standards*

Cornwell College is a four-year school that operates on a semester system and measures progress in credit hours. The school's academic calendar consists of two 15-week semesters. The school charges students by the semester.

Refund Policy

Cornwell College's state law:

If the student withdraws:	The school retains:
Before classes	0%
First week	10%
Second week	25%
Third week	50%
Fourth week	75%
After fourth week	100%

Repayment Policy

Living expenses are prorated based on the number of weeks the student completes during the semester.

For students who begin classes, 50% of the books and supplies allowance is considered to be expended (taking into account the bookstore's return policy).

Student Information

Tom is a first-year undergraduate student attending the school for the first time. He enrolls full-time for the first semester, which begins on August 28. Following school procedures, he officially withdraws on September 15, which is at the end of the third week of the first semester.

Cost for each term:

Tuition and fees	$2,000
Books and supplies allowance	$ 200
School's charges for room	$1,200
School's charges for board	$1,575
Transportation allowance	$ 100
Miscellaneous personal expense allowance	$ 250

Continued on next page

Aid awarded for the academic year:

FSEOG	$1,000
Cornwell College Scholarship	$2,100
Federal Pell Grant	$2,300
Subsidized Federal Stafford Loan (total amount approved)	$2,625
State Grant (which includes SSIG)	$1,500

The subsidized Federal Stafford Loan is scheduled to be disbursed in two equal installments of $1,260 (that is, half of the total amount approved *minus* the origination fee and insurance premium). Since Tom is a first-time borrower, his first disbursement is not scheduled to be made until September 29. His second disbursement is scheduled to be made at the beginning of the second semester.

Tom's financial aid payments for the first semester were credited to his account in the following order:

FSEOG (on 8/28)	$ 500
Cornwell College Scholarship (on 8/28)	$1,050
Federal Pell Grant (on 8/28)	$1,150
State Grant (on 9/5)	$ 750

Tom paid for his books and supplies with money he saved from his summer job. Since Tom's financial aid for the semester was not expected to cover his school charges for tuition, fees, room and board ($4,775), he was required to make a cash payment of $65. On enrolling for the first semester, Tom made a cash payment of $65.

Notes

Tom withdrew at the 20% point of the enrollment period (3 weeks *divided by* 15 weeks). Because he is attending the school for the first time and withdrew before the 60% point, the school must calculate a statutory *pro rata* refund in addition to a state refund, and must compare the two to see which is the larger.

For *pro rata* purposes, the "portion that remains" is 80% (12 weeks *divided by* 15 weeks, rounded down to nearest 10%.)

The *pro rata* calculation results in a refund of $2,560, which is larger than would be required under the state's refund policy (which is, $2,387). Thus, the school must use the statutory *pro rata* refund calculation result in making the refund.

The school does not charge an administrative fee nor is it the school's policy to retain such a fee for students withdrawing from school.

WARNING: DO NOT use without the accompanying instructions!!

WITHDRAWAL RECORD

1. Student Information

Tom	8/28	9/15
Name	Start Date	Withdrawal Date/LDA
	15-week semester	9/15
Social Security Number	Length of Enrollment Period	Date of WD/LDA Determination

2. Program Costs

inst.	non-inst.			inst.	non-inst.		
☒	☐	Tuition/Fees	2,000	☐	☒	Personal/Living	250
☐	☐	Administrative Fee		☐	☐	Dependent Care	
☒	☐	Room & Board	2,775	☐	☐	Disability Costs	
☐	☒	Books & Supplies	200	☐	☐	Miscellaneous	
☐	☒	Transportation	100	☐	☐	Miscellaneous	

USE TOTALS FOR PERIOD CHARGED*

TOTAL Inst. Costs: 4,775 Ⓐ

TOTAL Noninst. Costs: 550 Ⓑ

TOTAL Aid Paid To Inst. Costs: 3,450 Ⓒ

TOTAL Paid To Inst. Costs: 3,515 Ⓓ

TOTAL Aid Paid as Cash: 0 Ⓔ

3. Payments/Disbursements

(Exclude work-study awards)

DATE	SOURCE	Paid to Inst. Costs	Cash to Student	DATE	SOURCE	Paid to Inst. Costs	Cash to Student
8/28	FSEOG	500					
8/28	Cornwell Scholarship	1,050					
8/28	Federal Pell Grant	1,150					
9/5	State Grant	750					
8/28	Student cash	65					

***USE TOTALS AS CHARGED FOR THE ENROLLMENT PERIOD** (The following minimums apply: for term programs, use totals for the term; for all nonterm programs longer than or equal to the academic year, use totals for the payment period or for one-half of the academic year, whichever is greater. For all nonterm programs shorter than the academic year, use totals for the program length. If you charge by different periods for different charges, convert all totals to represent the longest period.)

4. Data for Pro Rata and Federal Refund

IS THIS STUDENT A FIRST-TIME STUDENT? A first-time student is one who has not previously attended at least one class at this school, or has received a 100 percent refund (less any permitted administrative fee) for previous attendance. (A first-time student remains so until he or she withdraws after attending at least one class at the school or completes the period of enrollment.) ☒ YES ☐ NO

DID THIS STUDENT WITHDRAW ON OR BEFORE THE 60% POINT? For credit-hour programs, the 60% point is the point in calendar time when 60% of the enrollment period has elapsed. For clock-hour programs, it is the point when this particular student completes 60% of the hours scheduled for the enrollment period. ☒ YES ☐ NO

IF THE ANSWER TO BOTH QUESTIONS IS "YES," a statutory pro rata refund calculation is required for this student. For this calculation, you must determine the Portion That Remains (of the enrollment period) and the institutional costs that may be excluded, if any.

TO DETERMINE THE PORTION THAT REMAINS, calculate as follows and round **DOWN** to the nearest 10%

- For credit-hour programs:

$$\frac{\text{WEEKS REMAINING}}{\text{TOTAL WEEKS IN PERIOD}} = \frac{12}{15}$$

- For clock-hour programs:*

$$\frac{\text{HOURS REMAINING}}{\text{TOTAL HOURS IN PERIOD}} = \text{.........}$$

- For correspondence programs:

$$\frac{\text{LESSONS NOT SUBMITTED}}{\text{TOTAL LESSONS IN PERIOD}} = \text{.........}$$

*DO NOT use scheduled hours. Also, excused absences can count as "hours completed."

TO DETERMINE EXCLUDABLE INSTITUTIONAL COSTS:

- Administrative Fee (up to $100 or 5%, whichever is less) .... +
- Documented Cost of Unreturnable Equipment .... +
- Documented Cost of Returnable Equipment (if not returned in good condition within 20 days of withdrawal) +

TOTAL EXCLUDABLE INST. COSTS (for Pro Rata and Federal Refund calculations only): =

Pro Rata/Federal Refund Institutional Costs:

4,775 Ⓐ — 0 = 4,775 A1

Total Institutional Costs — Total Excludable Inst. Costs

1995-96
United States Department of Education
Student Financial Aid Programs

BEST COPY AVAILABLE

REFUND CALCULATION WORKSHEET

STEP ONE

Unpaid Charges

*Scheduled SFA payments and FFEL/Direct late disbursements that have not yet been received, for which the student is still eligible in spite of having withdrawn, must be counted to reduce the student's scheduled cash payment. This includes late State aid disbursements as allowed under written State policy. (Scheduled payments from sources other than those above cannot be counted in this manner.)

	4,775	Total Institutional Costs (from Withdrawal Record)	A
−	3,450	Total Aid Paid to Inst. Costs* (also from Withdrawal Record)	C
=	1,325	**Scheduled Cash Payment (SCP)** (attribution not allowable)	
−	65	Student's Cash Paid (from Withdrawal Record)	
=	1,260	**UNPAID CHARGES**	

STEP TWO

Amount Retained

*Use the percentage specified by the State, accrediting agency, Federal Refund Calculation , or institutional refund policy being used for this calculation. For first-time students who withdraw on or before the 60% point in the enrollment period (see Withdrawal Record for details), a statutory *pro rata* refund must also be calculated. For every student receiving SFA funds, the school must compare the possible refunds and use the calculation that provides the largest refund.

	4,775	Total Institutional Costs (from Withdrawal Record)	A
X	50%	% Allowed to Retain* (from refund policy being used)	
=	2,388	**Initial Amount Retained By The School**	
−	1,260	UNPAID CHARGES (from Step One)	
=	1,128	**AMOUNT RETAINED**	

If this amount is zero or negative, all SFA paid to school charges must be returned (exc. FWS).

STEP THREE

Refund Amount

Generally, funds must be returned to the appropriate program account(s) within 30 days of the date of withdrawal, and to the lender within 60 days of the same

	3,515	Total Paid to Institutional Costs (from Withdrawal Record)	D
−	1,128	Amount Retained (from Step Two)	
=	2,387	**REFUND AMOUNT RETURNED TO SFA PROGRAMS**	

REFUND DISTRIBUTION—Prescribed by Law and Regulation

TOTAL REFUND

1. Federal SLS Loan
2. Unsubsidized Federal Stafford Loan
3. Subsidized Federal Stafford Loan
4. Federal PLUS Loan
5. Unsubsidized Federal Direct Stafford Loan
6. Subsidized Federal Direct Stafford Loan
7. Federal Direct PLUS Loan
8. Federal Perkins Loan
9. Federal Pell Grant
10. FSEOG
11. Other Title IV Aid Programs
12. Other Federal, state, private, or institutional aid
13. The student

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United States Department of Education
Student Financial Aid Programs

PRO RATA REFUND CALCULATION WORKSHEET

STEP ONE

Unpaid Charges

*Scheduled SFA payments and FFEL/Direct late disbursements that have not yet been received, for which the student is still eligible in spite of having withdrawn, must be counted to reduce the student's scheduled cash payment. This includes late State aid disbursements as allowed under written State policy. (Scheduled payments from sources other than those above cannot be counted in this manner.)

	4,775	Total Institutional Costs (from Withdrawal Record)	Ⓐ
−	3,450	Total Aid Paid to Inst. Costs* (also from Withdrawal Record)	Ⓒ
=	1,325	**Student's Scheduled Cash Payment (SCP)**	
−	65	Student's Cash Paid (from Withdrawal Record)	
=	1,260	**UNPAID CHARGES**	

STEP TWO

Refund Amount

Generally, funds must be returned to the appropriate program account(s) within 30 days of the date of withdrawal, and to the lender within 60 days of the same.

	4,775	Pro Rata Institutional Costs (from Withdrawal Record)	(A1)
X	80%	% to be Refunded (from the Portion That Remains)	
=	3,820	**Initial Refund Amount**	
−	1,260	Unpaid Charges (from Step One)	
=	2,560	**ACTUAL REFUND RETURNED TO SFA PROGRAMS**	

If this amount is negative, the school may bill the student for that amount. No refund is due.

REFUND DISTRIBUTION—Prescribed by Law and Regulation

TOTAL REFUND	2,560		
1. Federal SLS Loan	0	8. Federal Perkins Loan	0
2. Unsubsidized Federal Stafford Loan	0	9. Federal Pell Grant	1,500
3. Subsidized Federal Stafford Loan	0	10. FSEOG	500
4. Federal PLUS Loan	0	11. Other Title IV Aid Programs	750*
5. Unsubsidized Federal Direct Stafford Loan	0	12. Other Federal, state, private, or institutional aid	160**
6. Subsidized Federal Direct Stafford Loan	0	13. The student	0
7. Federal Direct PLUS Loan	0		

* State Grant

**Cornwell Scholarship

EXAMPLE 2—
LYNLEY INSTITUTE

✦ Pro rata *refund based on student's first-time attendance at the school*

✦ Non-pro rata *refund based on accrediting agency standards*

Lynley Institute offers nonterm, clock-hour programs of varying lengths. A 1,200-clock-hour program takes 40 weeks to complete, it is divided into three payment periods: 450 clock hours, 450 clock hours, and 300 clock hours. The Institute charges tuition and fees for the entire program at the time of enrollment. The Institute also charges all students a $75 administrative fee and the administrative fee is identified and explained in the student's enrollment agreement.

Refund Policy

Lynley Institute's accrediting agency's standards:

If the student withdraws after completing:	The school retains:
Less than 10%	10%
10-19%	25%
20-29%	35%
30-39%	50%
40-49%	75%
50% or more	100%

Repayment Policy

Living expenses are prorated based on the number of weeks the student is enrolled. For students who begin classes, 50% of the books and supplies allowance is considered to be expended (taking into account the bookstore's return policy).

Student Information

George enrolls on July 3 in a 1,200-clock-hour program. He officially withdraws on August 11, after attending five weeks of classes (completing 150 clock hours).

Cost for the Program:

Administrative fee	$ 75
Tuition and fees	$1,500
Books, supplies, and loan fee allowance	$ 200
School's allowance for off-campus living expenses	$5,000

Aid awarded for the Program:

Federal Pell Grant	$2,300
State Grant (which includes SSIG)	$1,500
Federal Direct Subsidized Loan (total amount approved)	$2,625

Continued on next page

The Federal Direct Subsidized Loan was awarded for the entire program. The loan is scheduled to be disbursed in three equal installments of $840 (that is, one-third of the total amount approved *minus* the loan fee) at the beginning of each payment period.

George's financial aid covered the amount of his charges for the program. Only his aid for the first payment period was credited to his account:

Federal Direct Subsidized Loan installment (on 8/11)	$840
State Grant (which includes SSIG) (on 8/11)	$500
Federal Pell Grant (on 8/11)	$767

The $840 Federal Direct Subsidized Loan, the $500 State Grant, and $235 of the Federal Pell Grant were used to pay school charges ($1,575). The school disbursed the $532 remaining from the Pell Grant in cash for George's living expenses.

Notes

George withdrew at the 13% point in time of the program (5 weeks *divided by* 40 weeks = 12.5%, rounded up to 13%).

According to the accrediting agency's refund policy, which has been approved by ED, the school can retain 25% of its institutional charges. However, as George withdrew before the 60% point of the enrollment period and was attending the school for the first time, the school must also perform the statutory *pro rata* calculation and compare the two refunds.

For *pro rata* purposes, the portion that remains is 80% (1,050 clock hours *divided by* 1,200 clock hours = 87.5, rounded down to the nearest 10%, which is 80%).

The accrediting agency's refund policy results in a $1,181 refund, which is smaller than would be required under the *pro rata* refund calculation. Thus, the school must use the *pro rata* refund calculation result in making the refund.

WARNING: DO NOT use without the accompanying instructions!!

WITHDRAWAL RECORD

1. Student Information

George	7/3	8/11 – official
Name	Start Date	Withdrawal Date/LDA
	1,200 clock hours/ 40 weeks	8/11
Social Security Number	Length of Enrollment Period	Date of WD/LDA Determination

2. Program Costs

inst.	non-inst.			inst.	non-inst.		
X		Tuition/Fees	1,500			Personal/Living	
X		Administrative Fee	75			Dependent Care	
	X	Room & Board	5,000			Disability Costs	
	X	Books & Supplies	200			Miscellaneous	
		Transportation				Miscellaneous	

3. Payments/Disbursements

(Exclude work-study awards.)

DATE	SOURCE	Paid to Inst. Costs	Cash to Student	DATE	SOURCE	Paid to Inst. Costs	Cash to Student
8/11	Federal Direct						
	Subsidized Loan	840					
8/11	State Grant	500					
8/11	Federal Pell Grant	235	532				

USE TOTALS FOR PERIOD CHARGED*

TOTAL Inst. Costs: 1,575 Ⓐ

TOTAL Noninst. Costs: 5,200 Ⓑ

TOTAL Aid Paid To Inst. Costs: 1,575 Ⓒ

TOTAL Paid To Inst. Costs: 1,575 Ⓓ

TOTAL Aid Paid as Cash: 532 Ⓔ

***USE TOTALS AS CHARGED FOR THE ENROLLMENT PERIOD** (The following minimums apply: for term programs, use totals for the term; for all nonterm programs longer than or equal to the academic year, use totals for the payment period or for one-half of the academic year, whichever is greater. For all nonterm programs shorter than the academic year, use totals for the program length. If you charge by different periods for different charges, convert all totals to represent the longest period.)

4. Data for Pro Rata and Federal Refund

IS THIS STUDENT A FIRST-TIME STUDENT? A first-time student is one who has not previously attended at least one class at this school, or has received a 100 percent refund (less any permitted administrative fee) for previous attendance. (A first-time student remains so until he or she withdraws after attending at least one class at the school or completes the period of enrollment.) ☒ YES ☐ NO

DID THIS STUDENT WITHDRAW ON OR BEFORE THE 60% POINT? For credit-hour programs, the 60% point is the point in calendar time when 60% of the enrollment period has elapsed. For clock-hour programs, it is the point when this particular student completes 60% of the hours scheduled for the enrollment period. ☒ YES ☐ NO

IF THE ANSWER TO BOTH QUESTIONS IS "YES," a statutory pro rata refund calculation is required for this student. For this calculation, you must determine the Portion That Remains (of the enrollment period) and the institutional costs that may be excluded, if any.

TO DETERMINE THE PORTION THAT REMAINS, calculate as follows and round **DOWN** to the nearest 10%

- For credit-hour programs:

$$\frac{\text{WEEKS REMAINING}}{\text{TOTAL WEEKS IN PERIOD}} = \ldots\ldots$$

- For clock-hour programs:*

$$\frac{\text{HOURS REMAINING}}{\text{TOTAL HOURS IN PERIOD}} = \frac{1{,}050}{1{,}200}$$

- For correspondence programs:

$$\frac{\text{LESSONS NOT SUBMITTED}}{\text{TOTAL LESSONS IN PERIOD}} = \ldots\ldots$$

*DO NOT use *scheduled* hours. Also, excused absences can count as "hours completed."

TO DETERMINE EXCLUDABLE INSTITUTIONAL COSTS:

- Administrative Fee (up to $100 or 5%, whichever is less) .... + 75
- Documented Cost of Unreturnable Equipment .... + 0
- Documented Cost of Returnable Equipment (if not returned in good condition within 20 days of withdrawal) +

TOTAL EXCLUDABLE INST. COSTS (for Pro Rata and Federal Refund calculations only): = 75

1,575 Ⓐ — 75 = 1,500 A1

Total Institutional Costs — Total Excludable Inst. Costs = Pro Rata/Federal Refund Institutional Costs

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Student Financial Aid Programs

REFUND CALCULATION WORKSHEET

STEP ONE

Unpaid Charges

*Scheduled SFA payments and FFEL/Direct late disbursements that have not yet been received, for which the student is still eligible in spite of having withdrawn, must be counted to reduce the student's scheduled cash payment. This includes late State aid disbursements as allowed under written State policy. (Scheduled payments from sources other than those above cannot be counted in this manner.)

	1,575	Total Institutional Costs (from Withdrawal Record)	Ⓐ
−	1,575	Total Aid Paid to Inst. Costs* (also from Withdrawal Record)	Ⓒ
=	0	**Scheduled Cash Payment (SCP)** (attribution not allowable)	
−	0	Student's Cash Paid (from Withdrawal Record)	
=	0	**UNPAID CHARGES**	

STEP TWO

Amount Retained

*Use the percentage specified by the State, accrediting agency, Federal Refund Calculation , or institutional refund policy being used for this calculation. For first-time students who withdraw on or before the 60% point in the enrollment period (see Withdrawal Record for details), a statutory *pro rata* refund must also be calculated. For every student receiving SFA funds, the school must compare the possible refunds and use the calculation that provides the largest refund.

	1,575	Total Institutional Costs (from Withdrawal Record)	Ⓐ
X	25%	% Allowed to Retain* (from refund policy being used)	
=	394	**Initial Amount Retained By The School**	
−	0	UNPAID CHARGES (from Step One)	
=	394	**AMOUNT RETAINED**	

If this amount is zero or negative, all SFA paid to school charges must be returned (exc. FWS).

STEP THREE

Refund Amount

Generally, funds must be returned to the appropriate program account(s) within 30 days of the date of withdrawal, and to the lender within 60 days of the same.

	1,575	Total Paid to Institutional Costs (from Withdrawal Record)	Ⓓ
−	394	Amount Retained (from Step Two)	
=	1,181	**REFUND AMOUNT RETURNED TO SFA PROGRAMS**	

REFUND DISTRIBUTION—Prescribed by Law and Regulation

TOTAL REFUND

1. Federal SLS Loan
2. Unsubsidized Federal Stafford Loan
3. Subsidized Federal Stafford Loan
4. Federal PLUS Loan
5. Unsubsidized Federal Direct Stafford Loan
6. Subsidized Federal Direct Stafford Loan
7. Federal Direct PLUS Loan
8. Federal Perkins Loan
9. Federal Pell Grant
10. FSEOG
11. Other Title IV Aid Programs
12. Other Federal, state, private, or institutional aid
13. The student

PRO RATA REFUND CALCULATION WORKSHEET

STEP ONE

Unpaid Charges

*Scheduled SFA payments and FFEL/Direct late disbursements that have not yet been received, for which the student is still eligible in spite of having withdrawn, must be counted to reduce the student's scheduled cash payment. This includes late State aid disbursements as allowed under written State policy. (Scheduled payments from sources other than those above cannot be counted in this manner.)

	1,575	Total Institutional Costs (from Withdrawal Record)	Ⓐ
−	1,575	Total Aid Paid to Inst. Costs* (also from Withdrawal Record)	Ⓒ
=	0	**Student's Scheduled Cash Payment (SCP)**	
−	0	Student's Cash Paid (from Withdrawal Record)	
=	0	**UNPAID CHARGES**	

STEP TWO

Refund Amount

Generally, funds must be returned to the appropriate program account(s) within 30 days of the date of withdrawal, and to the lender within 60 days of the same.

	1,500	Pro Rata Institutional Costs (from Withdrawal Record)	A1
X	80%	% to be Refunded (from the Portion That Remains)	
=	1,200	**Initial Refund Amount**	
−	0	Unpaid Charges (from Step One)	
=	1,200	**ACTUAL REFUND RETURNED TO SFA PROGRAMS**	

If this amount is negative, the school may bill the student for that amount. No refund is due.

REFUND DISTRIBUTION—Prescribed by Law and Regulation

TOTAL REFUND	1,200		
1. Federal SLS Loan	0	8. Federal Perkins Loan	0
2. Unsubsidized Federal Stafford Loan	0	9. Federal Pell Grant	360
3. Subsidized Federal Stafford Loan	0	10. FSEOG	0
4. Federal PLUS Loan	0	11. Other Title IV Aid Programs	0
5. Unsubsidized Federal Direct Stafford Loan	0	12. Other Federal, state, private, or institutional aid	0
6. Subsidized Federal Direct Stafford Loan	840*	13. The student	0
7. Federal Direct PLUS Loan	0	*can return gross amount	

REPAYMENT CALCULATION WORKSHEET

STEP ONE

Living Expenses Incurred

Because schools' repayment policies differ, this step can be calculated two ways: the total noninstitutional costs ("B" from Withdrawal Record) may be retained at a flat percentage, or the itemized costs (listed on Withdrawal Record) may be retained at differing rates and then totalled.

	NONINST. COSTS (from Withdrawal Record)		EXPENSES ACTUALLY INCURRED (from school's repayment policy)		
Room & Board	5,000	X	.13	=	650
Books & Supplies	200	X	.50	=	100
Transportation		X		=	
Personal/Living/Misc.		X		=	
TOTAL COSTS Ⓑ		X		=	750 TOTAL INCURRED

STEP TWO

Cash Paid to Student

*FFEL and Direct Loan funds are excluded from repayment—the student is already obligated to repay these funds to the lender.

	532	Total Aid Paid as Cash (from Withdrawal Record) Ⓔ
−	0	Cash Paid from FFEL/Direct Funds*
=	532	**TOTAL CASH DISBURSED**

STEP THREE

Repayment Amount

Funds must be returned to the appropriate program account(s) within 30 days of the student's repayment to the school.

	532	Total Cash Paid to Student (from Step Two)
−	750	Total Costs Incurred (from Step One)
=	0	**REPAYMENT AMOUNT RETURNED TO SFA PROGRAMS**

If this amount is $100 or less, the student owes no repayment.

REPAYMENT DISTRIBUTION—Prescribed by Regulation

TOTAL REPAYMENT

1. Federal Perkins Loan
2. Federal Pell Grant
3. FSEOG
4. Other Title IV Aid Programs
5. Other Federal, State, private, or institutional aid

Requirements for Determining Withdrawal Date or Last Day of Attendance (LDA)

Student's Action	Withdrawal Date/LDA[1]
Withdraws (official withdrawal)	The later of: • Date student notifies school of his/her withdrawal; or • Date specified by student
Drops out (unofficial withdrawal)	Last date of student's recorded attendance
Granted leave of absence	Last date of student's recorded attendance
Expelled	Date of expulsion
Correspondence lesson not submitted (for student enrolled in a correspondence program)	Date of the last lesson submitted by student if the student failed to submit the subsequent lesson according to the school's schedule[2]

[1] Withdrawal date/LDA must be determined within 30 days after the expiration of the earliest of:
- the period of enrollment for which the student has been charged,
- the academic year in which the student withdrew; or
- the end of the student's academic program.

[2] The student may be restored to an "in school status" if the student attests to the school, in writing, within 60 days of the last lesson submitted:
- a desire to continue in the program, and
- an understanding that required lessons must be submitted on time.

Only one restoration of "in-school status" may be submitted on this basis.

Session 7 - CEO/President Responsibilities

Main Objective: You will be able to identify specific responsibilities of a CEO/President and standard financial and administrative capability requirements, as well as recognize key elements of your school's written refund and satisfactory academic progress (SAP) policies.

GENERAL RESPONSIBILITIES OF THE CEO/PRESIDENT

- Provide leadership in fulfilling the school's educational mission;
- Show a continuing interest in financial aid management;
- Maintain an awareness of responsibilities in financial aid management;
- Provide support and resources for aid management; and
- Encourage coordination among school offices.

SPECIFIC RESPONSIBILITIES OF THE CEO/PRESIDENT

The CEO/President must be aware of the following specific responsibilities for proper administration of Title IV programs:

- the factors for demonstrating "financial responsibility,"
- the "standards of administrative capability," and
- the requirements in ED's Program Participation Agreement (PPA).

Regulations governing these responsibilities were updated in 1994. They can be found in *Federal Registers*, dated April 29, 1994 and November 29, 1994.

Viable Student Aid Program

A CEO's/President's responsibilities include:

- committing to careful resource planning;
- making accurate projections of student attendance and student aid awards; and
- planning for student aid programs to include federal funds, endowments, school funds, and external aid resources.

A school's financial responsibilities are defined by many factors, including whether the school is for-profit, nonprofit, or public. A chart outlining financial responsibilities is provided at the end of this session.

Capable Individual Responsible for Financial Aid Funds

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 3)

This individual and any other people involved with administering Title IV programs must *not* be a person convicted of, or who has pled *nolo contendere* or guilty to, a crime involving the acquisition, use, or expenditure of federal funds.

Adequate Number of Qualified Staff

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 3)

There are a number of factors to consider when determining adequate staffing, including:

- the number of financial aid applications processed;
- the number of students who actually receive aid;
- the type and amount of financial aid funding; and
- the system of delivering aid to students.

Good Communication and Cooperation

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 3)

All information received within a school concerning student eligibility under Title IV programs must be communicated to the financial aid administrator. Several ways to foster internal communication are:

- regular staff meetings,
- inter-office training,
- management reports, and
- written correspondence (memos) between and among offices.

Required Student and Financial Records and Reports

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 3)

On page 10 of this session, there is a chart that outlines required records maintenance.

The Handbook, in Chapter 3, gives you more details on retaining records.

Adequate Checks and Balances

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 3)

Title IV regulations require a school to divide the functions of authorizing payments and disbursing funds so that no single office—or person—has responsibility for both functions.

- A financial aid office normally will authorize loan disbursements by awarding aid through the need analysis and packaging process.
- A fiscal office normally will receive and disburse awarded aid by crediting students' accounts or delivering checks to students or parents.

Accuracy and Consistency of Information Among All Offices

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 3)

Title IV program regulations require a school to develop adequate systems to resolve any discrepancies in information it receives from different sources about student applications for Title IV aid. Inconsistent information that is not reconciled could result in liability for the school.

Adequate Financial Aid and Debt Counseling

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 3)

The information that must be conveyed to students and recorded by a school includes:

- o the source and amount of each type of aid offered;
- o the method by which aid is determined and disbursed (or applied to students' accounts);
- o students' rights and responsibilities (enrollment, receiving aid);
- o sample loan-repayment schedules; and
- o other program-specific requirements.

A school's administrative capability and financial responsibility may be seriously questioned, and Title IV program participation jeopardized, if it has an excessive student-loan cohort default rate (more than 25%) under the FFEL Program.

Proper counseling is required to make students aware of their obligations and to help alleviate these indicators of poor program administration. Student borrowers must understand that the monies they receive are, indeed, loans and must be repaid.

Suspected Fraud, Abuse, or Misrepresentation

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 3)

A school must report any information that indicates a student knowingly committed fraud or misrepresentation to receive financial assistance. ED's Office of Inspector General (OIG) toll-free number is: 1-800-MIS-USED.

Bond Coverage Recommendations and Requirements

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 3)

ED recommends that a CEO/President ensure that the school maintains a fidelity bond.

- A fidelity bond protects a school's and the federal government interests in Title IV student aid funds. It should be obtained from a company holding a certificate of authority as acceptable surety. A list of these companies is published annually by the U. S. Department of the Treasury in Circular 570.

Program Reviews and Federal Audits

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 3)

For program reviews, national accrediting-agency and SPRE reviews, and federal audits, a school is required to make available appropriate staff members and all school records involving Title IV funds.

Required Annual Audit

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 3)

An annual nonfederal audit is required; it must be paid for by the school. The audit reports must be submitted to ED.

Administrative Actions

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 3)

If federal funds have been acquired or misappropriated in a criminal or fraudulent manner *and/or* a school or its employees are debarred or suspended by ED or another agency from participating in federal programs, ED may take administrative actions such as:

- emergency action,
- fine,
- limitation,
- suspension, *or*
- termination.

Such individuals may also be debarred and/or suspended from holding any position that involves administering any federal funds.

Reasonable Standards of Satisfactory Academic Progress (SAP)

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 2)

A school's satisfactory academic progress (SAP) policy must be appropriate and consistently applied. Session 5 explains SAP in detail.

Fair and Equitable Refund Policy

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 3)

We covered this in detail in Session 6.

Drug Abuse Prevention Program

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 3)

There are two laws that require a school to have drug-free and drug-abuse-prevention programs: The Drug-Free Workplace Act and the Drug-Free Schools and Communities Act.

A school participating in campus-based programs must certify that it maintains a drug-free workplace. Some of the steps a school must take to provide a drug-free workplace include:

- establishing a drug-free awareness program to provide information to employees;
- distributing a notice to employees that describes prohibited unlawful activities and the actions the school will take against an employee who violates these prohibitions; and
- notifying ED and taking appropriate action if it learns that an employee has been convicted under any criminal drug statute.

A school that does not certify that it has a drug-abuse-prevention program, or that fails to carry out a drug-abuse-prevention program, may lose its eligibility for federal funds.

Availability of Consumer Information

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 3)

A school is required by law to make specific types of published information available and to provide services described in these publications.

The Campus Security Act requires a school to publish and make readily available information on its campus crime reports.

A chart outlining required contents of a school's annual security report is provided at the end of this session.

These are just a few examples of the required information. For a complete listing, please refer to Dear Colleague Letters GEN-91-14, GEN-91-27, GEN-92-21, and regulation 34 CFR 668.

Title IV Financial Responsibility Standards

All Schools

A school is financially responsible if it meets the following criteria:

- Provides all services described in its official publications and statements*
- Provides administrative resources necessary to comply with requirements for participating in Title IV programs*
- Meets all of its financial obligations,* including payment of:
  - required refunds to students; and
  - liabilities and debts to ED
- Is current in paying any institutional debts*
- Posts an irrevocable cash reserve, acceptable and payable to ED, equal to at least 25% of the total amount of Title IV program refunds paid by the school in the previous fiscal year**
- Does not have as part of its most recent audit report*:
  - a statement expressing substantial doubt of the school's ability to continue as a going concern *or*
  - a disclaimed or adverse opinion by the accountant
- The individual who exercises significant control over the school does not owe a liability for a Title IV program violation, unless the school and the individual owing the liability meet the provisions of 668.15(d)(4)
- Has not been limited, suspended, or terminated *or* has not entered into a settlement agreement to resolve a limitation, suspension, or termination within the preceding 5 years
- Was not required to repay an amount greater than 5% of Title IV funds received for an award year as a result of findings during its 2 most recent program reviews or audits
- Was not cited during the preceding 5 years for failure to submit acceptable audit reports in a timely manner
- Did not fail to resolve satisfactorily any compliance problems identified during a program review or audit

If a For-Profit Institution*

- Maintains an acid-test ratio of 1:1 in terms of the school's cash (excluding any irrevocable line of credit requested by ED) and current receivables to current liabilities, **and**
- Has not had operating losses in either or both of its last 2 fiscal years that in sum have resulted in more than a 10% reduction in the school's tangible net worth, **and**
- Has a positive tangible net worth for its most recent fiscal year,

OR

- Has outstanding debt obligations that are listed at or above the second highest credit rating level by a nationally recognized statistical rating organization

If a Nonprofit Institution*

- Demonstrates at the end of its most recent fiscal year an acid-test ratio of 1:1 in terms of the school's cash and current receivables to current liabilities, **and**

(1) Has at the end of its most recent fiscal year a positive unrestricted current fund balance or positive unrestricted net asset *or*

(2) Has not had an excess of current fund expenditures greater than current fund revenues during the past 2 fiscal years that have resulted in more than 10% reduction in the school's unrestricted current fund balance or unrestricted net assets

OR

- Has outstanding debt obligations that are listed at or above the second highest credit rating level by a nationally recognized statistical rating organization

If a Public Institution*

(Needs to meet only one of the following)

- Has its liabilities backed by the full faith and credit of the state or other equivalent government entity, *or*
- Has a positive unrestricted current fund balance, if reporting under the Single Audit Act, *or*
- Has a positive unrestricted current fund balance in the state's higher education fund as presented in the general purpose financial statements, *or*
- Submits documentation from the state auditor general that it has met all of its financial obligations during the past year and has sufficient resources to meet all of its financial obligations

OR

- Has outstanding debt obligations that are listed at or above the second highest credit rating level by a nationally recognized statistical rating organization

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* A school may be considered financially responsible even if the school fails to meet this standard if the school submits to ED an irrevocable letter of credit of not less than one-half the Title IV program funds received by the school for an award year; *or* the school is able to establish that it has sufficient resources to ensure against its precipitous closure.

** This standard does not apply if the school:
1. is located in a state that has a tuition-recovery plan that is acceptable to ED, and the school contributes to that tuition-recovery fund;
2. has its liabilities backed by the full faith and credit of the state or by an equivalent governmental entity; *or*
3. demonstrates to ED that for each of the two most recently completed fiscal years it has made timely refunds to students and has met all of the financial responsibility standards.

Title IV Administrative Capability Standards

A school is administratively capable if it:

- administers Title IV programs in accordance with all Title IV requirements;
- designates a capable individual to be responsible for administering Title IV programs;
- has adequate staffing for administering Title IV programs;
- communicates to the individual responsible for administering Title IV programs all information that bears on a student's Title IV eligibility;
- has written procedures for administering Title IV programs;
- administers Title IV programs with adequate checks and balances in its system of internal controls;
- divides the functions of authorizing Title IV payments and disbursing/delivering Title IV funds so that the functions are carried out by at least two (2) organizationally independent individuals;
- establishes and maintains required Title IV records;
- for purposes of determining student eligibility for Title IV assistance: establishes, publishes, and applies reasonable standards for measuring whether a student is maintaining satisfactory academic progress in completing his/her educational program;
- develops an adequate system for resolving discrepancies in information related to a student's application for Title IV assistance;
- refers to ED's Office of Inspector General information indicating when an applicant for aid, employee, or agent of the school might have engaged in fraud or other criminal misconduct in connection with Title IV programs;
- provides adequate financial aid counseling to Title IV applicants;
- submits all required Title IV program reports in a timely manner, including required fiscal reports and financial statements;
- does not demonstrate any significant problems in its ability to administer Title IV programs;
- does not have any individual affiliated with the school who is/has been debarred or suspended or is engaging in any activity that is cause for suspension or debarment under Executive Order 12549 or the Federal Acquisition Regulation;
- for a school that seeks initial participation in a Title IV program: does not have more than 33% of its students withdraw during an academic year;
- has a cohort default rate[*] of less than 25% under the Federal Family Education Loan Program for each of the three (3) most recent fiscal years, and equal to or less than 15% under the Federal Perkins Loan Program; and
- does not appear to lack the ability to administer Title IV programs competently.

[*] If a school is determined not to be administratively capable on the basis of this standard only, ED will provisionally certify the school's participation in Title IV programs.

Federal Title IV Record Retention Requirements

Program	Types of Records	How Long
Federal Pell Grant (Section 690.82)	1. Fiscal and accounting records • all program transactions • notification to bank of school accounts containing federal funds 2. Records required for audits 3. SAR or ISIR for each student applying for a Pell Grant 4. Other records • eligibility of student with valid SAR or ISIR • name, SSN, and amount paid to student • date and amount of overpayment, if applicable • student's cost of attendance • date school endorsed check • determination of student's part-time or full-time status • enrollment period • written agreements between institutions (690.9)	Five years after award year ended or until resolution of any audit or review finding
FSEOG (Section 676.19)	1. All financial records about program transactions and application for funds (FISAP) 2. Program and fiscal records • reconciled monthly • identify student accounts and status • eligibility of each student • show how need was met • all student applications	Five years after FISAP or until audit or review question and/or finding resolved
FWS and JLD (Section 675.19)	1. All financial records about program transactions and application for funds (FISAP) 2. Program and fiscal records • signed certification that student worked and earned amount paid and time sheets • payroll vouchers • noncash contribution records • reconciled monthly • identify student accounts and status • show how need was met and student eligibility 3. FWS employment applications for students reported in FISAP	Five years after FISAP or until audit or review question and/or finding resolved
Federal Perkins Loan (Section 674.19)	1. All financial records about program transactions 2. Program and fiscal records • identify student's account and status • reconciled monthly • eligibility of students • records of how need was met 3. Loan counseling records 4. Repayment history • date and amount of each repayment, indicating amount credited to principal, interest, late charges, and collection costs • all contacts about collecting overdue loan, if applicable • all correspondence except routine notices 5. Loan application for students reported in FISAP and institutional application for funds	Repayment records: five years from date loan is assigned to ED, canceled, or repaid All other records: five years after FISAP or until audit or review question and/or finding resolved
FFEL (Section 682.610)	1. All loans • loan application and certification • name and address of lender • amount of loan and period of enrollment • student/school budget data • amount of student's tuition and fees paid and date paid • sources and amounts used to calculate estimated financial assistance • amount and calculation of refunds paid, if applicable • date and amount of loan disbursement to school • date school endorsed • for electronic funds transfer, copy of student's authorization • record of student's job placement, if known 2. Reports and other forms related to FFEL Program 3. Notice to lenders of enrollment changes	Five years following last day of attendance or until resolution any audit or review question and/or findings

BEST COPY AVAILABLE

Required Contents of a School's Annual Security Report

Policies regarding:

- Security and access to campus facilities
- The school's law enforcement authority, including:
  - the extent of that authority
  - its relationship with state and local police agencies, including any arresting authority
  - the importance of reporting all crimes to campus and local/state police agencies
- How the school monitors and records, through local police agencies, criminal activity at off-campus locations of recognized student organizations
- The possession, use, and sale of alcoholic beverages and illegal drugs
- The enforcement of:
  - state underage drinking laws
  - federal and state drug laws

Policies and procedures regarding:

- Reporting criminal actions and other emergencies that occur on campus, including:
  - the manner in which the school responds to such reports and informs the campus community of such incidents
  - the specific school official(s) to whom crimes should be reported
- The school's program for preventing sexual offenses and reporting an incidence of a sexual offense that:
  - promotes the awareness of certain sex offenses
  - identifies individual(s) to be contacted in the event of a sex offense
  - provides information on and assistance in reporting sex offenses to police
  - emphasizes the importance of preserving evidence
  - identifies on-campus and off-campus counseling services
  - describes options for changing a victim's academic and living situation
  - explains procedures for campus disciplinary action of alleged sex offenses

Programs for students and employees regarding:

- Campus-security procedures
- Crime prevention
- Drug and alcohol abuse prevention

Statistics regarding the on-campus occurrence of:

- Murder,* rape,* forcible* and nonforcible sex offenses, robbery, aggravated assault,* burglary, and motor-vehicle theft
- Arrests for liquor-law, drug-abuse, and weapons violations*

---

*For each of these crimes, statistics should also indicate whether, in accordance with the Hate Crime Statistics Act, there is evidence that these crimes included prejudice on the basis of race, religion, sexual orientation, or ethnicity

CEO/President Student Aid Commitment

I am committed to:

Adhering to the laws and regulations governing federal student aid programs that will be made available to our students.

Providing leadership for the educational mission and long-term goals of our school.

Providing support for adequate resources to administer financial aid programs.

Encouraging ongoing staff development by providing time and funds for sufficient training and professional growth.

Fostering effective coordination among all school offices involved in administering financial aid.

Being especially concerned with the following critical standards of student financial aid:

1. Equal access for all students;
2. Equal and consistent treatment of all students in delivering aid;
3. Admissions standards and practices that fairly measure student ability to benefit from the education provided;
4. Minimizing student financial burdens by keeping costs as low as possible;
5. Achieving a low student withdrawal rate and low student-loan default rate for our school; and
6. Establishing and applying effective satisfactory academic progress and refund policies.

Signed: ______________________________

Date: ______________________________

Session 8 - Fiscal Officer Responsibilities

Main Objective: You will recognize the funds-management requirements needed to account for federal student aid funds.

THE BLUE BOOK AND FISCAL OFFICER TRAINING

Published by ED, *The Blue Book* is a reference manual for fiscal management of Title IV programs. Its complete title is *The Blue Book: Accounting, Recordkeeping, and Reporting by Postsecondary Educational Institutions for Federally Funded Student Financial Aid Programs.* We encourage your school's fiscal representative to study *The Blue Book* carefully to learn the necessary accounting procedures, fiscal recordkeeping, and reporting requirements for properly administering Title IV programs.

The Blue Book will be in the packet your school receives as a newly participating school. You may also order it by calling 1-800-4-FED-AID.

Fiscal Officer Training workshops scheduled for fall 1995 provide detailed training on *The Blue Book* and changes resulting from the 1992 reauthorization of the Higher Education Act. ED encourages each school to send a fiscal representative to this training.

FISCAL OFFICER RESPONSIBILITIES

Coordinating and Cooperating with the Financial Aid Office

It is imperative that a school's fiscal office and financial aid office understand and cooperate with each other. There are many times when decisions will involve both the financial aid and fiscal offices, such as making cash-flow projections, processing cancellations and refunds, being aware of changes in regulations, and submitting accurate and timely reports.

Fulfilling Fiduciary Responsibility for Title IV Funds Management
(*The Blue Book*, Chapters 4 and 5)

This includes maintaining a cash management system, as described in *The Blue Book*, Chapter 4. It must also include adequate checks and balances within the school's system of internal controls. A system of internal controls should include:

- separating the functions of authorizing and disbursing Title IV aid;
- taking a trial balance to determine whether Title IV program accounts are in balance (as described in *The Blue Book*, Chapter 5, Section 5.4.1);
- reconciling cash between the school's records and bank statements, on at least a monthly basis; and
- reconciling federal funds between the school's bank statements and federally reported balances, no less than monthly under MEERS (the Monthly Electronic Expenditure Reporting System) *or* quarterly if filing a paper ED/PMS Report.

The fiscal office must comply with general Title IV funds-management procedures, which include:

- notifying the school's bank of federal funds on deposit;
- naming these bank accounts to include the word "Federal";
- executing short-term investments of available Federal Perkins Loan funds, as appropriate;
- preparing for and participating in program reviews and audits; and
- securing and maintaining the recommended fidelity bond *or* a required performance bond or letter of credit.

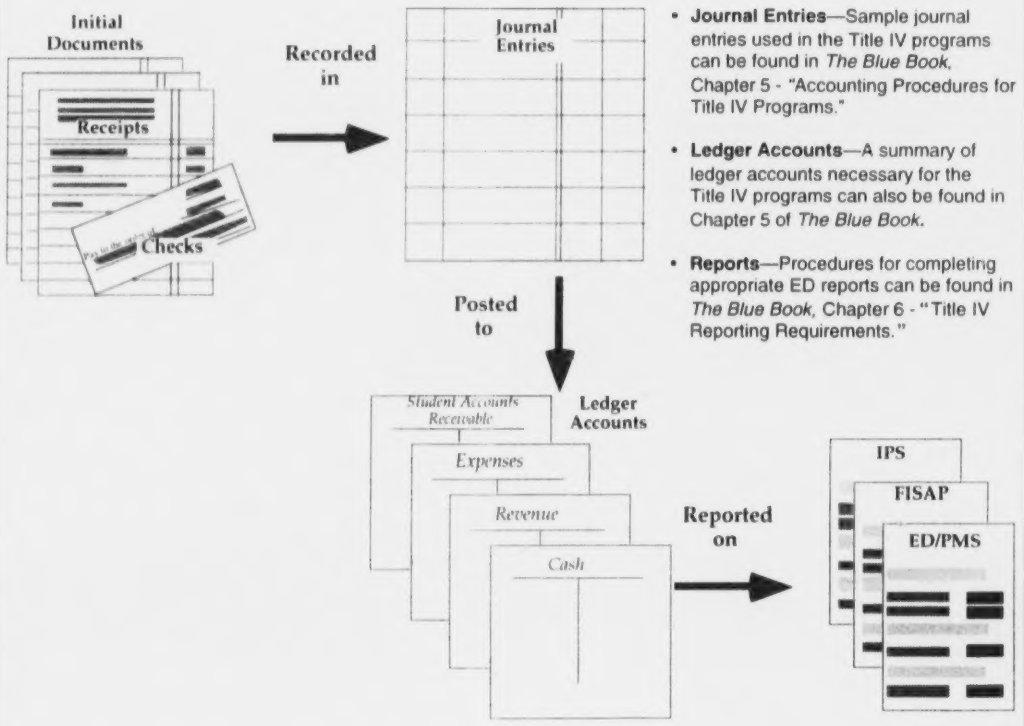
The fiscal office maintains records according to federal law and regulations and generally accepted accounting principles. For a clear audit trail, records of all transactions must be maintained. Adequate documentation includes:

- proper approval of all transactions,
- a record of who entered the transaction,

- the date the transaction was prepared and posted, and
- a complete record of the transaction itself.

The diagram below shows an overview of typical school accounting activities.

Overview of School Accounting Activities


Initial Documents
Receipts
Checks
Recorded in
Journal Entries
Posted to
Student Accounts Receivable
Expenses
Revenue
Cash
Ledger Accounts
Reported on
IPS
FISAP
ED/PMS

- **Journal Entries**—Sample journal entries used in the Title IV programs can be found in *The Blue Book*, Chapter 5 - "Accounting Procedures for Title IV Programs."
- **Ledger Accounts**—A summary of ledger accounts necessary for the Title IV programs can also be found in Chapter 5 of *The Blue Book*.
- **Reports**—Procedures for completing appropriate ED reports can be found in *The Blue Book*, Chapter 6 - "Title IV Reporting Requirements."

Drawing Down Title IV Funds

(ED/PMS Recipient's Guide)

The fiscal office draws down and returns Title IV funds on the basis of award information provided by the financial aid office. There are three ways of requesting Title IV funds:

- **Automated Clearinghouse/Electronic Funds Transfer System** (ACH/EFT), used by most schools, for requests that are made to cover the immediate need for a three-day period.
- **Federal Electronic Fund Transfer (FEDWIRE)**, used by large institutions, where requests cover need only for a three-day period.
- **Reimbursement method**, used by schools that have already disbursed Title IV awards using institutional funds.

With the ACH/EFT and FEDWIRE methods, a school makes payment requests by telephone, and funds are electronically transferred into the school's account. For more information on ACH/EFT or FEDWIRE, see the *ED/PMS Recipient's Guide* that you will receive as a newly participating school. Additional copies may be obtained from:

Financial Services
Division of Financial Operations
U.S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202-4723.

Returning Excess Cash

(ED/PMS Recipient's Guide)

There are two ways of returning excess funds to ED:

- if the amount is under $100,000, schools must return funds by check; *or*
- if the amount is $100,000 or more, schools must return funds through FEDWIRE.

Disbursing Funds to Eligible Students from Appropriate Program Accounts

The responsibilities of the fiscal office include:

- maintaining individual student accounts that record charges, credits, and amounts due;
- delivering loan checks;
- establishing and monitoring FWS payroll and time cards;
- establishing a clear audit trail for all accounting activities;
- reporting Title IV expenditures on the ED/PMS Report on a timely basis; and
- processing refunds and credit balances.

Reconciling Accounts

(*The Blue Book*, Chapter 5)

The fiscal office reconciles cash between school records and bank statements; it also reconciles federal funds between bank statements and federally reported balances. Reconciliation of federal funds includes:

- monitoring fund balances and completing expenditure and fiscal reports;
- monitoring actual award disbursements, federal funds on hand, and federal authorizations;
- implementing a refund policy and returning correct refunds to program accounts, to students, and/or to lenders;
- coordinating with the financial aid office on allocating refunds and repayments to program accounts, according to federal law and school policy; and
- recovering overpayments and returning funds to appropriate program accounts.

Award and fund monitoring and reconciling are ***ongoing*** *processes throughout the award year. It requires the cooperative efforts of the financial aid administrator and the fiscal officer.*

Establishing and Implementing Loan Collection Procedures
(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 6)

If your school plans on participating in the Federal Perkins Loan Program, the responsibilities of the fiscal office include:

- o developing a loan-tracking system;
- o completing student entrance and exit loan counseling;
- o establishing student-loan billing and collection procedures;
- o working with delinquent borrowers;
- o implementing legal remedies to pursue delinquent accounts (reporting to credit bureaus and performing skip-tracing);
- o reviewing/modifying loan forms; and
- o coordinating with ED to assign uncollectible defaulted Perkins Loans to ED.
    - **Note**: Only schools that have performed due diligence on uncollectible loans may assign these loans to ED.

Session 9 - Financial Aid Administrator Responsibilities

Main Objective: You will be able to describe the major functions of a financial aid office and recognize the importance of cooperating and coordinating with all entities involved in delivering Title IV financial aid.

FINANCIAL AID ADMINISTRATOR RESPONSIBILITIES

The financial aid office provides aid-related advice and counseling to students and parents of students who are just starting their postsecondary education experience, as well as to those who are continuing in school.

Advise and Counsel Students and Parents

The financial aid office advises and counsels students and parents on aid-related topics, which include:

- providing assistance with applications,
- helping students understand their rights and responsibilities,
- providing advice on budget planning and debt management,
- providing satisfactory academic progress counseling, and
- referring students to other services (such as health and social services) as needed.

Provide Required Information and Develop Written Policies and Procedures

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 3)

Student consumer information: This information is detailed in Chapter 3, Section 9.

School policies and procedures: The school is also required to develop and maintain written policies and procedures, such as:

- student consumer information;
- verification procedures;
- satisfactory academic progress policies;
- institutional refund and repayment policies;
- Title IV refund and repayment allocation or distribution policies; and
- loan disclosure statements and fact sheets.

Determine Eligibility and Financial Need For Student Aid Awards

The financial aid office determines eligibility and financial need for student aid awards according to specific regulatory requirements.

Coordinate with On-Campus and Off-Campus Offices

The financial aid office typically will need good working relationships with the offices shown in the diagram on the next page.

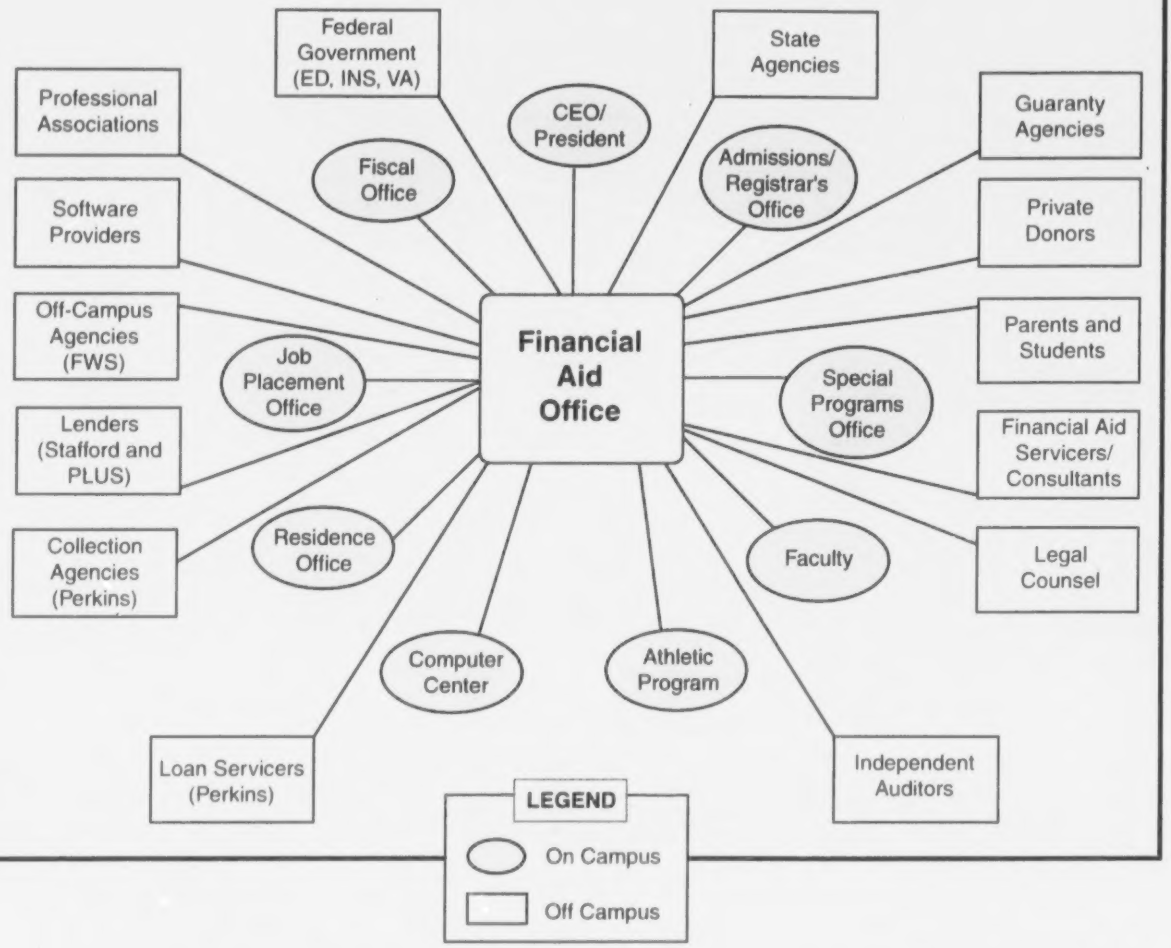
Determine Student Aid Packages, Authorize Student Payments and/or Refunds, and Monitor Student Enrollment

The financial aid office develops and implements award-packaging policies, determines student aid packages, authorizes student payments and/or refunds, and monitors student enrollment.

Maintain and Reconcile Student and School Records

The financial aid office maintains and reconciles student and school records to document awards and provide data for reports.

Financial Aid Office Coordination


Federal Government (ED, INS, VA)
State Agencies
Professional Associations
CEO/ President
Guaranty Agencies
Fiscal Office
Admissions/ Registrar's Office
Software Providers
Private Donors
Off-Campus Agencies (FWS)
Financial Aid Office
Parents and Students
Job Placement Office
Special Programs Office
Lenders (Stafford and PLUS)
Financial Aid Servicers/ Consultants
Collection Agencies (Perkins)
Residence Office
Faculty
Legal Counsel
Computer Center
Athletic Program
Loan Servicers (Perkins)
Independent Auditors
LEGEND
On Campus
Off Campus

Develop a Financial Aid Calendar For Managing Aid Activities

The financial aid office should develop a calendar for managing aid activities. See Appendix E for a sample financial aid calendar.

Participate in Professional Development

Financial aid administrators should continue their professional development by attending workshops, networking, participating in professional associations, reviewing all relevant publications, and pursuing related formal education (such as a master's degree program). See Appendix C at the end of the workshop materials for information on professional associations.

Manage and Report on Activities Involving Financial Aid Funds

Requesting, monitoring, and reporting on student aid funds is a financial aid office responsibility, often done in coordination with the fiscal office.

REVIEW OF THE MAJOR RESPONSIBILITIES OF THE FISCAL OFFICE, FINANCIAL AID OFFICE, AND OFFICE OF THE CEO/PRESIDENT

The network of responsibilities is shown below.

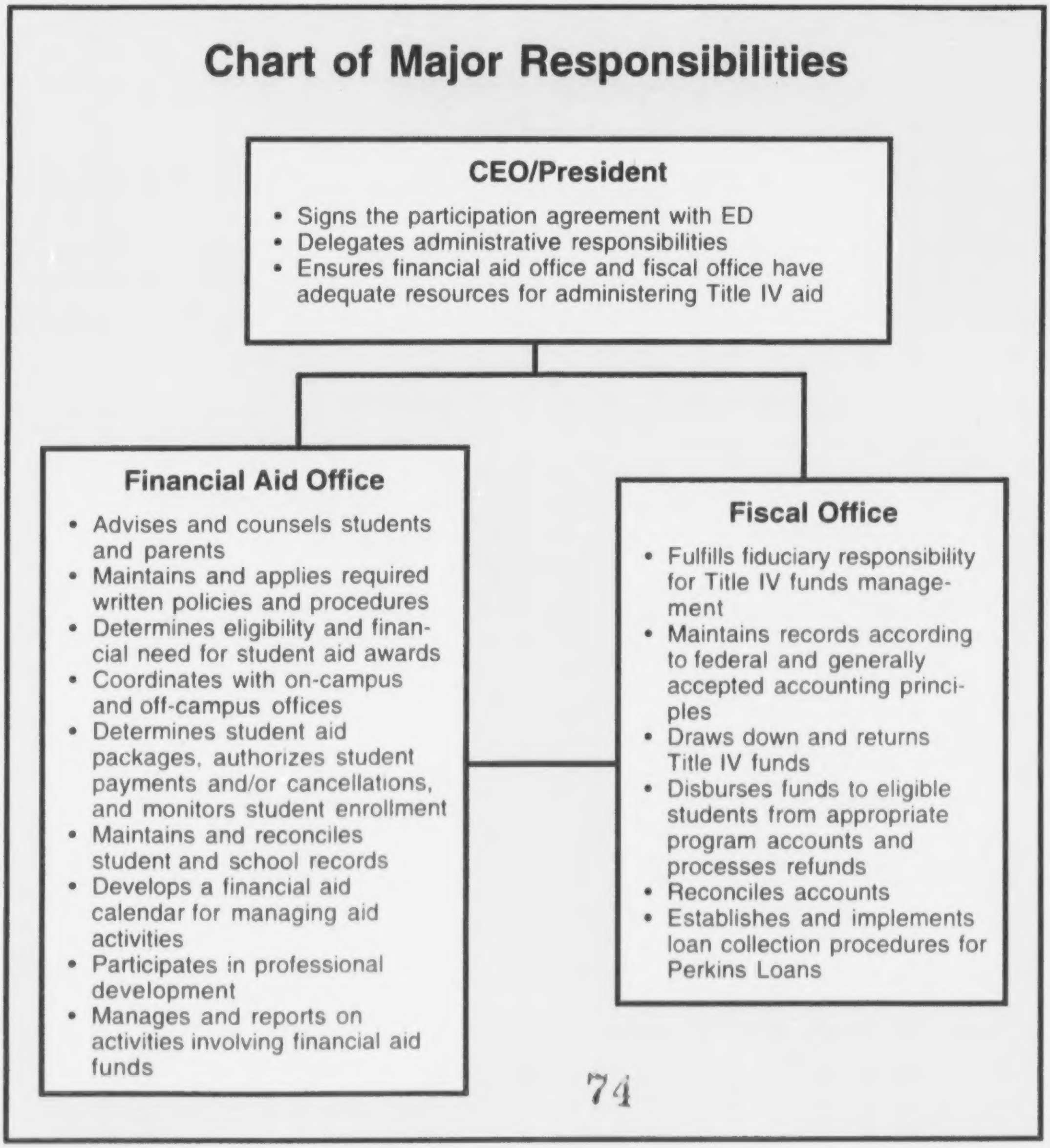


Chart of Major Responsibilities

CEO/President

- Signs the participation agreement with ED
- Delegates administrative responsibilities
- Ensures financial aid office and fiscal office have adequate resources for administering Title IV aid

Financial Aid Office

- Advises and counsels students and parents
- Maintains and applies required written policies and procedures
- Determines eligibility and financial need for student aid awards
- Coordinates with on-campus and off-campus offices
- Determines student aid packages, authorizes student payments and/or cancellations, and monitors student enrollment
- Maintains and reconciles student and school records
- Develops a financial aid calendar for managing aid activities
- Participates in professional development
- Manages and reports on activities involving financial aid funds

Fiscal Office

- Fulfills fiduciary responsibility for Title IV funds management
- Maintains records according to federal and generally accepted accounting principles
- Draws down and returns Title IV funds
- Disburses funds to eligible students from appropriate program accounts and processes refunds
- Reconciles accounts
- Establishes and implements loan collection procedures for Perkins Loans

Session 10 - Evaluation

Main Objectives:

- You will be able to identify and discuss the approaches to evaluating student financial aid management: self-evaluation, audits, program reviews, SPRE reviews, and accrediting agency reviews.
- You will be able to define your responsibilities in preparing for audits, program reviews, SPRE reviews, and accrediting agency reviews, and you will understand the process of each.

PURPOSES AND METHODS OF EVALUATION

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 3, Section 7)

Two main purposes of evaluating aid administration are to ensure compliance with all rules and standards and to identify needed administrative changes to ensure compliance.

The five main types of evaluation are:

- self-evaluation,
- audits,
- program reviews,
- SPRE reviews, and
- accrediting agency reviews.

SELF-EVALUATION

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 3)

The Process of Self-Evaluation

Although this is not required by law, some benefits of self-evaluation are:

- thorough preparation for future audits and program reviews;

- continual assessment of the effectiveness of student aid operations, procedures and policies, and measurement of the efficiency and quality of service to students; and
- avoidance of major liabilities.

Some recommended methods of self-evaluation are:

- a comprehensive evaluation system (for guidance, see the *Institutional Guide for Financial Aid Self-Evaluation*, published by National Association of Student Financial Aid Administrators [NASFAA], or the *Self-Evaluation Guide*, included in Toolkit Plus, published by Executive Management Services for CCA—the Career College Association);
- a quality-control plan;
- a student financial aid annual report;
- a regular compilation of student evaluations; and/or
- a peer-evaluation partnership with another school or schools.

Institutional Quality Assurance Program (IQAP)

ED's Institutional Quality Assurance Program (IQAP) was enacted by the Higher Education Amendments of 1992. IQAP focuses on:

- prevention and improvement instead of penalties and
- strengthening a school's capabilities to find, analyze, correct, and prevent errors.

ED will be expanding this program over the next three years. Interested schools should contact ED's Performance and Accountability Improvement staff at 202-708-9192.

AUDITS AND PROGRAM REVIEWS

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 3; *1990 Audit Guide*; *The Blue Book*, Section 6.6.2; Dear Colleague Letter GEN-92-17)

Audits and **program reviews** differ from self-evaluation in that they are calculated by independent external entities and may identify deficiencies that could result in institutional liabilities. Audits, unlike program reviews, are required by federal regulations.

Precertification reviews are conducted at selected schools to assess their administrative capability prior to certifying them for Title IV participation.

Types of Audits

Nonfederal (compliance) audits are:

- initiated and paid for by the school;
- required every year; and
- conducted by an independent public accountant.

If your school contracts with a third-party servicer to help administer Title IV programs, the third-party servicer must also have at least an annual compliance audit.

Federal audits:

- are initiated and conducted by ED;
- identify schools that need assistance/corrective action; and
- take at least three to four weeks at a school's or third-party servicer's place of business.

The Audit Process

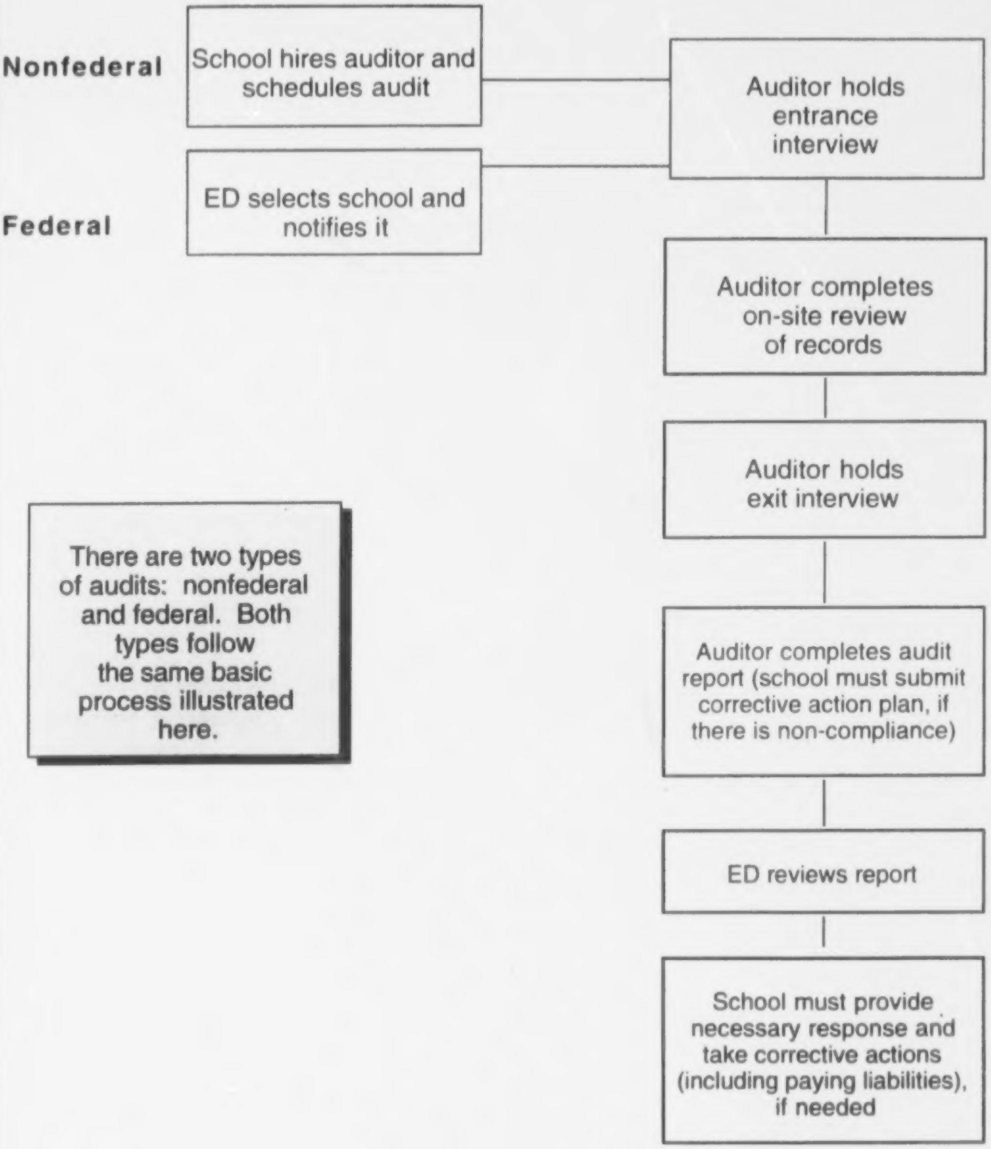
See the flowchart on the following page.

The same process is followed for a compliance audit of a third-party servicer. A school is held responsible for any liability not paid by the servicer if the violation occurred while servicing that school.

Program Review Purpose and Process

Program reviews are similar to federal audits and are initiated and conducted either by ED or a guaranty agency. The process is similar to the audit process; it is shown in the flowchart on page 5.

Audit Process


Nonfederal
School hires auditor and schedules audit
Federal
ED selects school and notifies it
Auditor holds entrance interview
Auditor completes on-site review of records
Auditor holds exit interview
Auditor completes audit report (school must submit corrective action plan, if there is non-compliance)
ED reviews report
School must provide necessary response and take corrective actions (including paying liabilities), if needed

There are two types of audits: nonfederal and federal. Both types follow the same basic process illustrated here.

Program Review Process

ED or guaranty agency selects and notifies school (ED also can make unannounced reviews)

Reviewer holds entrance interview

Reviewer conducts on-site review of records

Reviewer holds exit interview and provides technical assistance, if needed

ED or guaranty agency issues report of findings

School must provide necessary response and take corrective action, if required

ED evaluates response; issues Final Program Review Determination (FPRD) Letter

School pays any liabilities or informal fines, or appeals FPRD

Program reviews are initiated and conducted by either ED or a guaranty agency. In addition to assuring compliance with program requirements and identifying problems, a program review provides technical assistance. The program review process is very similar to the audit process, and is illustrated here.

School's Required Preparation

In preparing for federal and non-federal audits, and for program reviews as well, a school must provide the auditor/reviewer with **on-site** access to the following records:

- the school's catalog and other school publications (such as financial aid brochures and consumer information materials);
- the school's policies and procedures manual;
- a copy of the school's fidelity bond, if applicable;
- the school's Notice of Eligibility and Program Participation Agreement for Title IV programs;
- all financial records and reports;
- all student records; and
- the school's enrollment data.

A school will be required to provide some records ***prior*** to the program review.

A list of common findings that result in financial liability is shown on page 8.

OTHER REVIEWS

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 3)

The Higher Education Amendments of 1992, Part H, placed increased responsibility on states and accrediting agencies for school eligibility to participate in Title IV programs.

State Postsecondary Review Entity (SPRE) Reviews

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 3)

A State Postsecondary Review Entity (SPRE) reviews ED-referred schools in its state to determine their eligibility for Title IV participation and to ensure compliance with state standards for Title IV participation.

Accrediting Agency Reviews

An accrediting agency evaluates the quality of education or training offered by schools. Schools that participate in Title IV programs must be accredited by a nationally recognized accrediting agency.

OFFICE OF INSPECTOR GENERAL PRESENTATION: "FRAUD AND ABUSE IN FEDERAL STUDENT AID"

Common Title IV Program Review Findings and Cumulative Assessed Liabilities

Finding	Amount by Millions*
Closed School—Failure to Submit Audit Reports	$87.1
Repeat Findings—Failure to Take Corrective Actions	$60.7
Audit Report Not Submitted	$16.7
Ability-to-Benefit—Requirement Not Met	$14.9
Ability-to-Benefit—Undocumented	$12.9
Satisfactory Academic Progress Standards Not Monitored	$11.3
Ineligible Program	$10.5
Verification Not Documented/Incomplete	$8.9
Lack of Administrative Capability—Inadequate Internal Controls	$7.3
ED/PMS 272 Expenditure Report Inaccurate	$6.9
Independent Status Not Documented	$6.0
Pell Improperly Disbursed—Not Made in Multi/Equal Payments	$3.9
Pell—Improper Disbursement	$3.9
Pell—SARs Mailed to Institutions (instead of students)	$3.5
Academic Year Not Defined	$3.1
Fiscal Records Not Available	$1.8

*Dollar amounts are for the period October 1, 1992 through September 30, 1993

Session 11 - General Administration Wrap-Up and Evaluation

Main Objectives:

- o You will be able to identify the importance of federal student aid programs to your school and list follow-up activities recommended for successful participation in Title IV programs.
- o CEOs/Presidents will have a chance to provide feedback on the general administration segment of the workshop.

REVIEW OF GENERAL ADMINISTRATION OF TITLE IV PROGRAMS

Administering federal student aid is a complex and difficult task. Many schools are entrusted with millions of dollars in student aid funds that must be administered using a variety of federal regulations. Failure to comply with regulations can result in fines and other sanctions and, possibly, termination from federal aid programs.

Having a well-trained financial aid administrator is one of the best ways to avoid program administration problems. The FAA relies heavily on the support of other school offices, such as the admissions office, the business office, and the registrar's office. Membership in professional associations, attending training workshops, and networking with colleagues all serve to provide the FAA with current information for running student aid programs according to the latest rules and regulations. *Continual training is a necessity.*

EVALUATING THE GENERAL ADMINISTRATION COMPONENT OF WORKSHOP

If you are a CEO/President, please complete the "Feedback on Training Activity" form. The form is in your handout materials.

Thank you for participating in Segment One of the workshop.

Precertification
Training

1995-96

Program
Delivery
Section

U.S. Department of Education • Office of Postsecondary Education
Student Financial Assistance Programs • Washington DC 20202-5452

Session 12 - The Free Application for Federal Student Aid (FAFSA)

Main Objective: You will be able to correctly complete the Free Application for Federal Student Aid (FAFSA) form.

THE FREE APPLICATION FOR FEDERAL STUDENT AID (FAFSA)

(ED's 1995-96 Action Letter #2, September 1994 [GEN-94-37]).

You have been provided with a copy of this year's FAFSA form and instructions. In addition, a sample FAFSA, already completed using the data for Paul Magellan, begins on page 4 of this Guide.

TECHNICAL NOTES ON THE FAFSA

Student Status

(See FAFSA, Section D)

Students whose dependency status change after the FAFSA is filed must update their dependency status information by making corrections on the SAR or through the Electronic Data Exchange (EDE).

- o A dependent applicant may not change his or her dependency status because of a change in his or her marital status.
- o An applicant may not change dependency status for a Federal Stafford Loan application that has been previously certified.

Exclusions

(See FAFSA, Section F)

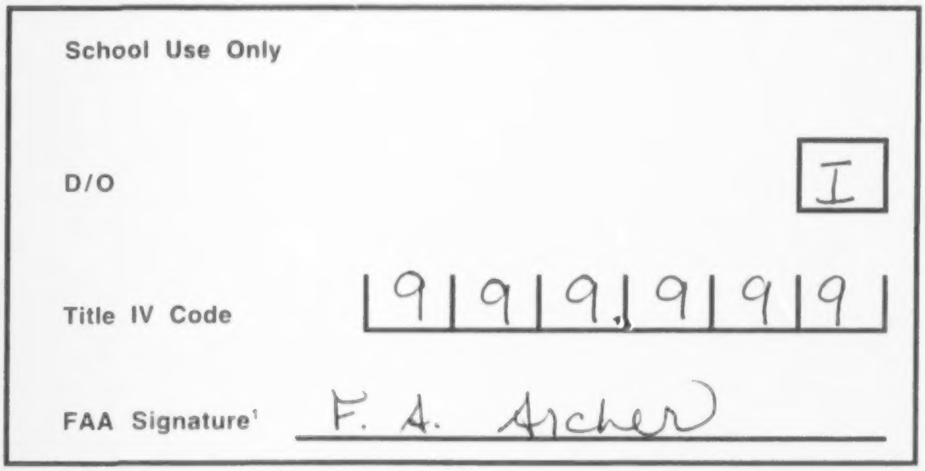
Some students will have Exclusions, which are defined by Worksheet #3 on page 12 of the FAFSA instructions.

"School Use Only Box" and Dependency Overrides
(See FAFSA, Section H)

When a student is filling out an original FAFSA, the aid administrator can use professional judgment to change the student's dependency status from dependent to independent.

To override and change a student to independent status, the FAA must complete the "School Use Only" box in Section H.

- An example of a completed box is shown below.
- You enter the letter "I" in the small square to show that the student's status is to be changed to independent.
- You must also enter the school's Title IV Institution Code and sign the box.



School Use Only

D/O I

Title IV Code 999999

FAA Signature[1] F. A. Archer

Note: Dependency overrides cannot change students from independent to dependent status.

If you become aware of a student's unusual circumstances after the FAFSA has already been submitted, a dependency status override can still be implemented by having the student submit a corrected SAR in which you have completed the "School Use Only" box or through EDE.

Simplified Needs Test (SNT)

(See FAFSA instructions, page 8)

There are two ways to calculate the EFC:

- The **full data formula**, which makes use of many types of family data, including family assets; and
- The **simplified formula**, which is the same as the full data formula except that it does not take into account family assets. This method is also called the Simplified Needs Test, or SNT.

The full data formula must be used by higher-income families.

Students who qualify for the SNT may, if they wish, go ahead and fill out Section G. If they do, two EFCs will be calculated for them:

- A primary EFC using the simplified formula and
- A secondary EFC using the regular full data formula.
  - The primary EFC will be on the front of the SAR or on the ISIR.

THE RENEWAL FREE APPLICATION FOR FEDERAL STUDENT AID (RENEWAL FAFSA)

(1995-96 Action Letter #2, September 1994 [GEN-94-37])

87

Free Application for Federal Student Aid
1995-96 School Year

WARNING: If you purposely give false or misleading information on this form, you may be fined $10,000, sent to prison, or both.

"You" and "your" on this form always mean the student who wants aid.

FFFFF

Form Approved
OMB No. 1840-0110
App. Exp. 6/30/96

U.S. Department of Education
Student Financial
Assistance Programs

Section A: You (the student)

1–3. Your name
1. Last: MAGELLAN
2. First: PAUL
3. M.I.:

Your title (optional) Mr. ☑ 1 Miss, Mrs., or Ms. ☐ 2

4–7. Your permanent mailing address *(All mail will be sent to this address. See Instructions, page 2 for state/country abbreviations.)*
4. Number and street (Include apt. no.): 512 NEW WORLD WAY
5. City: SAR
6. State: VA
7. ZIP code: 22309

8. Your social security number *(Don't leave blank. See Instructions, page 2.)* 000-00-0000

9. Your date of birth 03-31-75
Month Day Year

10. Your permanent home telephone number 703-111-0000
Area code

11. Your state of legal residence VA
State

12. Date you became a legal resident of the state in question 11 *(See Instructions, page 2.)* 03-31-75
Month Day Year

13–14. Your driver's license number *(Include the state abbreviation. If you don't have a license, write in "None.")*
VA-000000000
State

15–16. Are you a U.S. citizen? *(See Instructions, pages 2 & 3.)*
Yes, I am a U.S. citizen. ☑ 1
No, but I am an eligible noncitizen. ☐ 2
A
No, neither of the above. ☐ 3

17. As of today, are you married? *(Check only one box.)*
I am not married. (I am single, widowed, or divorced.) ☑ 1
I am married. ☐ 2
I am separated from my spouse. ☐ 3

18. Date you were married, separated, divorced, or widowed. If divorced, use date of divorce or separation, whichever is earlier.
Month Year

19. Will you have your first bachelor's degree before July 1, 1995? Yes ☐ 1 No ☑ 2

Section B: Education Background

20–21. Date that you (the student) received, or will receive, your high school diploma, either—
- by graduating from high school 06-95
Month Year

OR
- by earning a GED
Month Year

*(Enter **one** date. Leave blank if the question does not apply to you.)*

22–23. Highest educational level or grade level completed by your father and your mother *(Check one box for each parent. See Instructions, page 3.)*

	22. Father	23. Mother
elementary school (K–8)	☐ 1	☐ 1
high school (9–12)	☑ 2	☑ 2
college or beyond	☐ 3	☐ 3
unknown	☐ 4	☐ 4

Section C: Your Plans *Answer these questions about your **college** plans.* Page 2

24–28. Your expected enrollment status for the 1995-96 school year *(See Instructions, page 3.)*

School term	Full time	3/4 time	1/2 time	Less than 1/2 time	Not enrolled
24. Summer term '95	☐ 1	☐ 2	☐ 3	☐ 4	☑ 5
25. Fall semester/qtr. '95	☑ 1	☐ 2	☐ 3	☐ 4	☐ 5
26. Winter quarter '95-96	☐ 1	☐ 2	☐ 3	☐ 4	☑ 5
27. Spring semester/qtr. '96	☑ 1	☐ 2	☐ 3	☐ 4	☐ 5
28. Summer term '96	☐ 1	☐ 2	☐ 3	☐ 4	☑ 5

29. Your course of study *(See Instructions, page 3.)* 0 4

30–31. College degree/certificate you expect to receive **and** the date you expect to receive it *(See Instructions, page 3.)*

30. Degree/certificate 3

31. Date 0 5 – 3 0 – 9 9 (Month Day Year)

32. Your grade level during the 1995-96 school year *(Check only one.)*

1st yr./never attended college ☑ 1
1st yr./attended college before ☐ 2
2nd year/sophomore ☐ 3
3rd year/junior ☐ 4
4th year/senior ☐ 5
5th year/other undergraduate ☐ 6
1st year graduate/professional ☐ 7
2nd year graduate/professional ☐ 8
3rd year graduate/professional ☐ 9
Beyond 3rd year graduate/professional ☐ 0

33–35. In addition to grants, what other types of financial aid are you (and your parents) interested in? *(See Instructions, page 3.)*

33. Student employment Yes ☑ 1 No ☐ 2
34. Student loans Yes ☑ 1 No ☐ 2
35. Parent loans for students Yes ☐ 1 No ☐ 2

36. If you are (or were) in college, do you plan to attend **that same college** in 1995-96?

Yes ☐ 1 No ☐ 2

37. For how many dependents will you pay child care or elder care expenses in 1995-96? 0

38–39. Veterans education benefits you expect to receive from July 1, 1995 through June 30, 1996

38. Amount per month $ 0 .00
39. Number of months 0 0

Section D: Student Status

	Yes	No
40. Were you born **before** January 1, 1972?	☐ 1	☑ 2
41. Are you a veteran of the U.S. Armed Forces?	☐ 1	☑ 2
42. Will you be enrolled in a graduate or professional program (beyond a bachelor's degree) in 1995-96?	☐ 1	☑ 2
43. Are you married?	☐ 1	☑ 2
44. Are you an orphan or a ward of the court, or **were** you a ward of the court until age 18?	☐ 1	☑ 2
45. Do you have legal dependents (**other than a spouse**) that fit the definition in Instructions, page 4?	☐ 1	☑ 2

If you answered "Yes" to any question in Section D, go to Section E and fill out the GRAY and the WHITE areas on the rest of this form.

If you answered "No" to every question in Section D, go to Section E and fill out the YELLOW and the WHITE areas on the rest of this form.

Section E: Household Information

If you are filling out the GRAY and WHITE areas, answer questions 46 and 47 and go to Section F.

If you are filling out the YELLOW and WHITE areas, skip questions 46 and 47. Answer questions 48 through 52 about your parents, and then go on to Section F.

STUDENT (& SPOUSE)

46. Number in your household in 1995-96 (Include yourself and your spouse. Do not include your children and other people unless they meet the definition in Instructions, page 4.) ☐

47. Number of college students in household in 1995-96 (Of the number in 46, how many will be in college at least half-time in at least one term? Include yourself. *See Instructions, page 4.*) ☐

PARENT(S)

48. Your parents' **current** marital status:

single ☐ 1 married ☐ 2 separated ☐ 3 divorced ☐ 4 widowed ☐ 5

49. Your parents' state of legal residence V A (State)

50. Date your parent(s) became legal resident(s) of the state in question 49 *(See Instructions, page 5.)* 0 2 – 1 6 – 7 0 (Month Day Year)

51. Number in your parents' household in 1995-96 (Include yourself and your parents. Do not include your parents' other children and other people unless they meet the definition in Instructions, page 5.) 0 5

52. Number of college students in household in 1995-96 (Of the number in 51, how many will be in college at least half-time in at least one term? Include yourself. *See Instructions, page 5.*) 1

Section F: 1994 Income, Earnings, and Benefits

Everyone must fill out the Student (& Spouse) column.

You must see Instructions, page 5, for information about tax forms and tax filing status. The instructions will tell you what income and benefits should be reported in this section.

STUDENT (& SPOUSE)

53. The following 1994 U.S. income tax figures are from: *(Check only one.)*

- A—a completed 1994 IRS Form 1040A or 1040EZ ☐ 1
- B—a completed 1994 IRS Form 1040 ☐ 2
- C—an estimated 1994 IRS Form 1040A or 1040EZ ☐ 3
- D—an estimated 1994 IRS Form 1040 ☐ 4
- E—will not file a 1994 U.S. income tax return ☑ 5

PARENT(S)

64. **The following 1994 U.S. income tax figures are from:** ***(Check only one.)***

- **A—a completed 1994 IRS Form 1040A or 1040EZ** ☐ 1
- **B—a completed 1994 IRS Form 1040** ☐ 2
- **C—an estimated 1994 IRS Form 1040A or 1040EZ** ☑ 3
- **D—an estimated 1994 IRS Form 1040** ☐ 4
- **E—will not file a 1994 U.S. income tax return** ☐ 5

TAX FILERS ONLY

	STUDENT (& SPOUSE)		PARENT(S)	
1994 Total number of exemptions (Form 1040-line 6e, or 1040A-line 6e; 1040EZ filers— *see Instructions, page 6.*)	54.	☐☐	65.	0 5
1994 Adjusted Gross Income (AGI-Form 1040-line 31, 1040A-line 16, or 1040EZ-line 3—*see Instructions, page 6.*)	55.	$ ______ 00	66.	$ 11,750 00
1994 U.S. income tax **paid** (Form 1040-line 46, 1040A-line 25, or 1040EZ-line 9)	56.	$ ______ 00	67.	$ 0 00
1994 Income earned from work — Student / Father	57.	$ 750 00	68.	$ 11,750 00
1994 Income earned from work — Spouse / Mother	58.	$ 0 00	69.	$ 0 00
1994 Untaxed income and benefits (yearly totals only)				
Social security benefits	59.	$ 0 00	70.	$ 5,000 00
Aid to Families with Dependent Children (AFDC or ADC)	60.	$ 0 00	71.	$ 0 00
Child support received for all children	61.	$ 0 00	72.	$ 2,000 00
Other untaxed income and benefits, from Worksheet #2, page 11	62.	$ 0 00	73.	$ 0 00
1994 Exclusions from Worksheet #3, page 12	63.	$ 0 00	74.	$ 0 00

ATTENTION

Section G: Asset Information

Be sure that you completed Worksheet A or Worksheet B in Instructions, page 7. If you meet certain tax filing and income conditions, you do not have to complete Section G to apply for Federal student aid. However, some states and colleges may require you to complete Section G.

PARENT(S)

82. Age of your older parent ☐☐

	STUDENT (& SPOUSE)		PARENT(S)	
Cash, savings, and checking accounts	75.	$ ______ 00	83.	$ ______ 00
Other real estate and investments value *(Don't include the home.)*	76.	$ ______ 00	84.	$ ______ 00
Other real estate and investments debt *(Don't include the home.)*	77.	$ ______ 00	85.	$ ______ 00
Business value	78.	$ ______ 00	86.	$ ______ 00
Business debt	79.	$ ______ 00	87.	$ ______ 00
Farm value *(See Instructions, page 8.)*	80.	$ ______ 00	88.	$ ______ 00
Farm debt *(See Instructions, page 8.)*	81.	$ ______ 00	89.	$ ______ 00

70–73. Untaxed income and benefits for 1994.

70. Social security benefits for 1994. Write in the amount of **untaxed** social security benefits (including Supplemental Security Income) that your parents got in 1994. Don't include any benefits reported in question 66. Don't report monthly amounts; write in the total for 1994. Be sure to include the amounts that your parents got for you and their other children.

71. Aid to Families with Dependent Children (AFDC or ADC) for 1994. Don't report monthly amounts; write in the total for 1994. Don't report social security benefits here.

72. Child support received for all children. Include the student. Don't report monthly amounts; write in the total received for 1994.

73. Other untaxed income and benefits for 1994. Use Worksheet #2 on page 11. Add up your parents' other untaxed income and benefits for 1994. Be sure to include your parents' earned income credit and deductible IRA/Keogh payments, if any.

74. 1994 Exclusions from Worksheet #3. Enter the total amount from Worksheet #3 on page 12. Write in "0" if the worksheet items don't apply to your parents.

ATTENTION: COMPLETE WORKSHEET A IF YOU ARE FILLING OUT THE **GRAY** AND **WHITE** AREAS OR WORKSHEET B IF YOU ARE FILLING OUT THE **YELLOW** AND **WHITE** AREAS TO SEE IF YOU NEED TO FILL OUT SECTION G.

WORKSHEET A—SIMPLIFIED NEEDS TEST

1. Did or will you (and your spouse) file a 1994 IRS Form 1040, and you (and/or your spouse) were not and are not eligible to file a 1994 1040A or 1040EZ?

If "Yes"—fill out Section G, WHITE area, and the rest of this form.

If "No"—fill out the rest of this Worksheet.

Income from the STUDENT (& SPOUSE) column:

2. Question 55 $____________.00
OR
3. Questions 57 and 58 $____________.00
(only if you left question 55 blank)

If the answer from either question 2 or 3 is less than $50,000, you do not have to fill out Section G. Go on to Section H.

If the answer from either question 2 or 3 is $50,000 or more, complete Section G and the rest of this form.

WORKSHEET B—SIMPLIFIED NEEDS TEST

1. Did or will you and/or your parent(s) (both parents, if they are married) file a 1994 IRS Form 1040, and you and/or your parent(s) were not and are not eligible to file a 1994 1040A or 1040EZ?

If "Yes"—fill out Section G, both WHITE and YELLOW areas, and the rest of this form.

If "No"—fill out the rest of this Worksheet.

Income from the PARENT(S) column only:

2. Question 66 $ 11,750 .00
OR
3. Questions 68 and 69 $____________.00
(only if you left question 66 blank)

If the answer from either **question 2 or 3 is less than $50,000**, you do not have to fill out Section G. Go on to Section H.

If the answer from either **question 2 or 3 is $50,000 or more**, complete Section G and the rest of this form.

Section G: Asset Information

Student (& Spouse) Asset Information

You must give information about your (and your spouse's) assets in Section G. If you are divorced or separated and you and your spouse have jointly owned assets, give only your portion of the assets and debts. Be sure to give information about assets held in trust for you (and your spouse).

If you (and your spouse) have assets owned jointly with someone else—such as a business or farm—give only your (and your spouse's) portion of the assets and debts.

In Section G, **don't include:**

- a home, if it is the principal place of residence,
- a family farm, as defined in question 80,
- personal or consumer loans, or any debts that are not related to the assets listed,
- the value of retirement plans (pension funds, annuities, IRAs, Keogh Plans, etc.), or
- student financial aid.

75. Cash, savings, and checking accounts. Include the current balance of checking or savings accounts unless you (and your spouse) do not have access to the money because the state declared a bank emergency due to the insolvency of a private deposit insurance fund.

76. Other real estate and investments value. If you (and/or your spouse) own other real estate or have investments, write in how much they are worth **today**. Other real estate includes rental property, land, second or summer homes, and multi-family dwellings (except the part the family lives in). Investments include trust funds, money market funds, mutual funds, certificates of deposit, stocks, bonds, other securities, installment and land sale contracts *(including mortgages held)*, commodities, precious and strategic metals, etc. Don't include your home.

77. Other real estate and investments debt. Write in how much you (and/or your spouse) owe on other real estate and investments.

BEST COPY AVAILABLE

Section H: Releases and Signatures

Page 4

90–101. What college(s) do you plan to attend in 1995-96?
*(**Note:** The colleges you list below will receive your application information. See Instructions, page 8.)*

Housing codes
1—on-campus
2—off-campus
3—with parent(s)
4—with relative(s) other than parent(s)

	Title IV Code	College Name	College Address	City	State	Housing Code
	0 9 8 7 6 5	*Example University*	*14930 N. Something Ave.*	*Anywhere City*	*S T*	*2*
90.						**91.**
92.						**93.**
94.						**95.**
96.						**97.**
98.						**99.**
100.						**101.**

102. The U.S. Department of Education will send information from this form to your state agency and the state agencies of the colleges listed above so they can consider you for state aid. Check **"No"** if you **don't** want information released to the state. **If you check "No," any state student aid may be denied or delayed.** .... **102.** No ☐
(See "Deadlines for State Student Aid" in Instructions, page 10.)

103. If you give Selective Service permission to register you, check **"Yes."** *(See Instructions, page 9.)* .... **103.** Yes ☐

104–105. Read, Sign, and Date

Certification: All of the information provided by me or any other person on this form is true and complete to the best of my knowledge. I understand that this application is being filed jointly by all signatories. If asked by an authorized official, I agree to give proof of the information that I have given on this form. I realize that this proof may include a copy of my U.S. or state income tax return. I also realize that if I do not give proof when asked, the student may be denied aid.

Everyone whose information is given on this form should sign below. The student (and at least one parent, if parental information is given), must sign below or this form will be returned unprocessed.

¹ Student Paul Magellan
² Student's Spouse
³ Father/Stepfather Fred Magellan
⁴ Mother/Stepmother Elizabeth Magellan

105. Date completed 01 – 25 (Month, Day) Year 1995 ☑ 1996 ☐

If you (and your family) have unusual circumstances, complete this form and then check with your financial aid administrator. Examples:
- **tuition expenses at an elementary or secondary school,**
- **unusual medical or dental expenses not covered by insurance,**
- **a family member who recently became unemployed, or**
- **other unusual circumstances that might affect your eligibility for student financial aid.**

School Use Only
D/O
Title IV Code
FAA Signature

MDE Use Only
Do not write in this box
Spec. handle ☐
No. copies ☐

Section I: Preparer's Use Only

For preparers other than student, spouse, and parent(s).
Student, spouse, and parent(s), sign above.

Preparer's last name First name M.I.
Firm name
Firm or preparer's address City State ZIP

106. Employer identification number (EIN)
OR
107. Preparer's social security number

Certification All of the information on this form is true and complete to the best of my knowledge.

108. Preparer's signature Date

MAKE SURE THAT YOU HAVE COMPLETED, DATED, AND SIGNED THIS APPLICATION.
Mail the application to: Federal Student Aid Programs, P.O. Box 4032, Iowa City, IA 52243-4032.

Session 13 - Applying for Title IV Aid

Main Objective: You will be able to recognize important features of the application and delivery system for Title IV aid.

APPLYING FOR TITLE IV AID

(1995-96 Action Letter #1, August 1994 [GEN-94-26])

PAPER APPLICATION

(1995-96 Action Letter #9, February 1995 [GEN-95-10])

ELECTRONIC APPLICATION

(Action Letter #9, February 1995 [GEN-95-10])

SUPPLEMENTAL FORMS OF NONFEDERAL FAFSA PROCESSORS

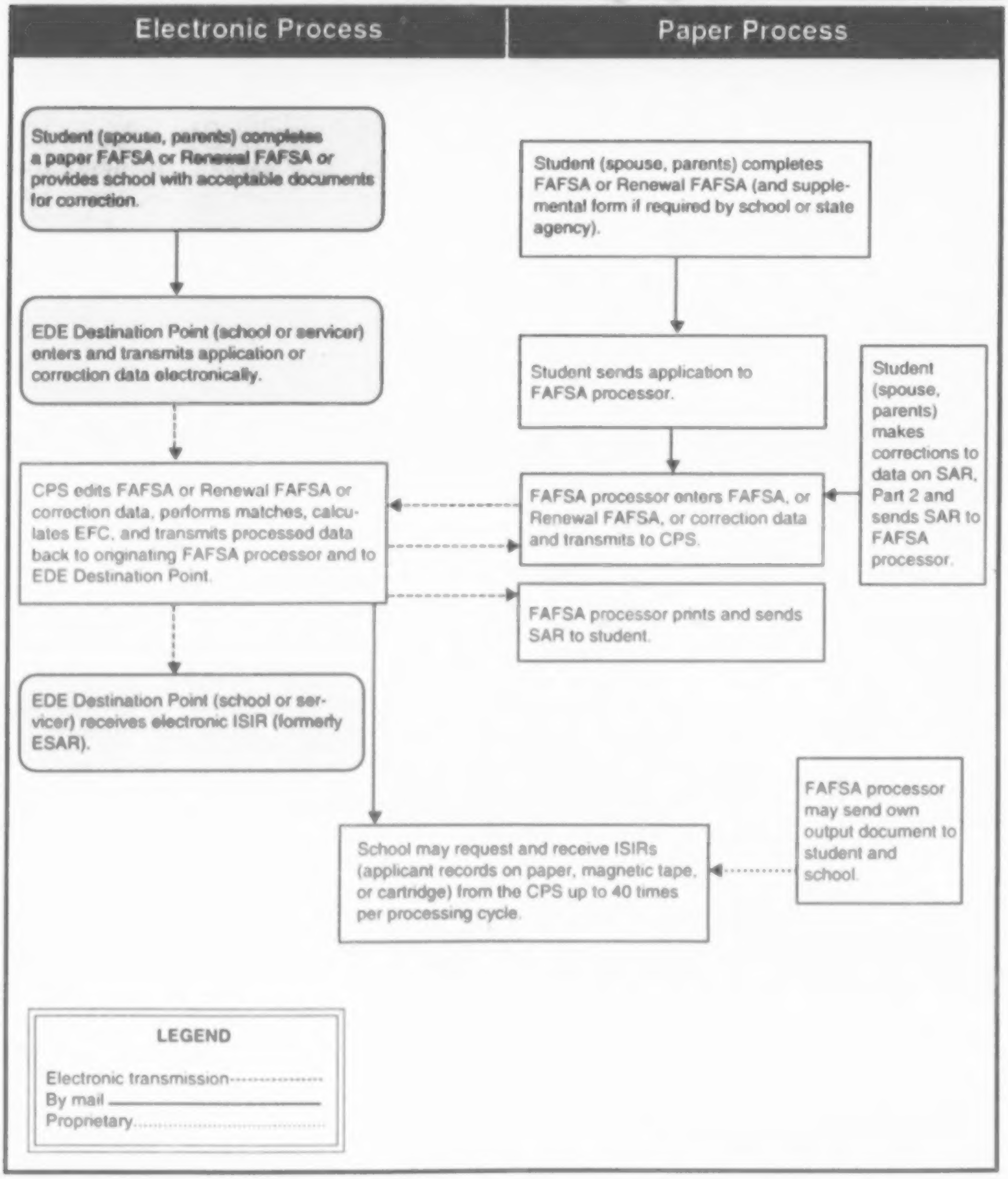
(DCL, September 1993, AOS-1)

- American College Testing (ACT)
- College Scholarship Service (CSS)
- Pennsylvania Higher Education Assistance Agency (PHEAA)

AWARDING AID

- *The 1995-96 Federal Student Financial Aid Handbook,* Chapters 4-10, give specific award procedures for various Title IV programs.

1995-96 Federal Application Processing System



Student (spouse, parents) completes a paper FAFSA or Renewal FAFSA or provides school with acceptable documents for correction.

EDE Destination Point (school or servicer) enters and transmits application or correction data electronically.

CPS edits FAFSA or Renewal FAFSA or correction data, performs matches, calculates EFC, and transmits processed data back to originating FAFSA processor and to EDE Destination Point.

EDE Destination Point (school or servicer) receives electronic ISIR (formerly ESAR).

Student (spouse, parents) completes FAFSA or Renewal FAFSA (and supplemental form if required by school or state agency).

Student sends application to FAFSA processor.

Student (spouse, parents) makes corrections to data on SAR, Part 2 and sends SAR to FAFSA processor.

FAFSA processor enters FAFSA, or Renewal FAFSA, or correction data and transmits to CPS.

FAFSA processor prints and sends SAR to student.

FAFSA processor may send own output document to student and school.

School may request and receive ISIRs (applicant records on paper, magnetic tape, or cartridge) from the CPS up to 40 times per processing cycle.

Session 14 - Federal Need Analysis

Main Objective: You will be able to discuss federal need analysis used to calculate the Expected Family Contribution (EFC).

WHAT IS FEDERAL NEED ANALYSIS?

Federal need analysis is the process of determining a student's Expected Family Contribution (EFC). The methodology for calculating EFCs is mandated by Congress and consists of the EFC formulas.

THE EFC WORKSHEETS

There are three formulas for federal need analysis used in calculating the EFC, each with a regular and simplified version:

- Worksheet A—Dependent Student, Regular (full data) Worksheet and Simplified (six data elements) Worksheet;
- Worksheet B—Independent Student (with no dependents other than a spouse), Regular Worksheet and Simplified Worksheet; **and**
- Worksheet C—Independent Student (with dependents other than a spouse), Regular Worksheet and Simplified Worksheet.

CASE STUDY: PAUL MAGELLAN

The next two pages show the completed worksheet for calculating Paul's EFC. All the information needed for Paul's case can be found in Paul's FAFSA, which was discussed in Session 12.

A complete set of the tables needed for EFC calculations is found at the end of this session.

Paul is a dependent student. Such students may qualify for an *automatic zero EFC* calculation. Independent students may also qualify.

For the 1995-96 award year, a *dependent student* automatically qualifies for a zero EFC if *both* of the following are true:

- the student's parents filed or are eligible to file a 1994 IRS Form 1040A or 1040EZ (or they are not required to file a 1040) or any income tax return and

- the sum of both parents' 1994 Adjusted Gross Incomes (AGI) is $12,000* or less or, if the parents are not tax filers, the sum of their earned incomes is $12,000 or less.

An independent student with dependents other than a spouse automatically qualifies for a zero EFC if *both* of the following are true:

- the student (and spouse) filed or are eligible to file a 1994 IRS Form 1040A or 1040EZ (or they are not required to file a 1994 Form 1040) or the student and spouse are not required to file any income tax return and

- the sum of the 1994 Adjusted Gross Income(s) (AGI) of the student (and spouse) is $12,000* or less or, if the student (and spouse) are not tax filers, the sum of their earned income(s) is $12,000 or less.

Note that the above automatic eligibility criteria for a zero EFC are not applicable to a single or married *independent student without dependents other than a spouse.*

*This amount, as specified by P.L. 102-325, is based on the maximum amount of income, rounded to the nearest thousand, that may be earned in order to claim the Internal Revenue Service's "maximum federal earned income credit." The maximum amount of 1995 income that may be earned and still claim the credit, when rounded to the nearest thousand, is $12,000

1995-96 EFC FORMULA A: DEPENDENT STUDENT

SIMPLIFIED WORKSHEET
Page 1
A

PARENTS' INCOME IN 1994

1. Parents' Adjusted Gross Income (FAFSA/SAR #66)		11,750
2. a. Father's income earned from work (FAFSA/SAR #68)	11,750	
2. b. Mother's income earned from work (FAFSA/SAR #69)	+ 0	
Total parents' income earned from work	= 2.	11,750
3. Parents' Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.) *		11,750
4. Untaxed income and benefits:		
• Social Security benefits (FAFSA/SAR #70)	5,000	
• AFDC/ADC (FAFSA/SAR #71)	+ 0	
• Child support received (FAFSA/SAR #72)	+ 2,000	
• Other untaxed income (FAFSA/SAR #73)	+ 0	
Total untaxed income and benefits	= 4.	7,000
5. Taxable and untaxed income (sum of line 3 and line 4)		18,750
6. Exclusions (FAFSA/SAR #74)	-	0
7. **TOTAL INCOME** (line 5 minus line 6) If negative, enter zero.	=	18,750

ALLOWANCES AGAINST PARENTS' INCOME

8. 1994 U.S. income tax paid (FAFSA/SAR #67) (tax filers only); if negative, enter zero.	-	0
9. State and other tax allowance (Table A1)	+	1,313
10. Father's Social Security tax (Table A2)	+	899
11. Mother's Social Security tax (Table A2)	+	0
12. Income protection allowance (Table A3)	+	20,240
13. Employment expense allowance: • Two working parents: 35% of the lesser of the earned incomes, or $2,500, whichever is less. • One-parent families: 35% of earned income, or $2,500, whichever is less.	+	0
14. **TOTAL ALLOWANCES**	=	22,452

AVAILABLE INCOME

Total income (from line 7)		18,750
Total allowances (from line 14)	-	22,452
15. **AVAILABLE INCOME (AI)** May be a negative number.	=	-3,702

PARENTS' CONTRIBUTION FROM ASSETS

16. Cash, savings, & checking (FAFSA/SAR #83)			
17. Other real estate & investments value ** (FAFSA/SAR #84)			
Other real estate & investments debt ** (FAFSA/SAR #85)	-		
Net worth of real estate & investments If negative, enter zero.	= 17.		
18. Business value ** (FAFSA/SAR #86)			
Business debt ** (FAFSA/SAR #87)	-		
Net worth of business If negative, enter zero	= 18.		
19. Farm value ** (FAFSA/SAR #88)			
Farm debt ** (FAFSA/SAR #89)	-		
Net worth of farm If negative, enter zero. If the family resides on the farm, enter zero.	= 19.		
20. Net worth of business/farm (sum of lines 18 and 19)	20.		
21. Adjusted net worth of business/farm (Calculate, using Table A4.) →		+	
22. Net worth (sum of lines 16, 17, and 21)		=	
23. Education savings and asset protection allowance (Table A5)		-	
24. Discretionary net worth (line 22 minus line 23)		=	
25. Asset conversion rate		X	.12
26. **CONTRIBUTION FROM ASSETS** If negative, enter zero.		=	

PARENTS' CONTRIBUTION

Available income (AI) (from line 15)		-3,702
Contribution from assets (from line 26)	+	
27. **Adjusted available income (AAI)** May be a negative number.	=	-3,702
28. **Total parents' contribution from AAI** (Calculate, using Table A6; if negative, enter zero.)		0
29. **Number in college in 1995-96** (FAFSA/SAR #52)	÷	1
30. **PARENTS' CONTRIBUTION** (standard contribution for 9-month enrollment)		0

* STOP HERE if both of the following are true: line 3 is $12,000 or less, *and* the parents are eligible to file a 1994 IRS Form 1040A or 1040EZ (they are not required to file a 1994 Form 1040, or they are not required to file any income tax return)—the student's EFC is zero.

** Do not include the family's home.

SIMPLIFIED WORKSHEET Page 2 A

STUDENT'S INCOME IN 1994

31. Adjusted Gross Income (FAFSA/SAR #55)		0
32. Income earned from work (FAFSA/SAR #57)		750
33. Taxable Income (If tax filer, enter the amount from line 31. If non-tax filer, enter the amount from line 32.)		750
34. Untaxed income and benefits:		
• Social Security benefits (FAFSA/SAR #59)	0	
• Other untaxed income (FAFSA/SAR #62)	+ 0	
Total untaxed income and benefits	= 34.	0
35. Taxable and untaxed income (sum of line 33 and line 34)		750
36. Exclusions (FAFSA/SAR #63)	-	0
37. TOTAL INCOME (line 35 minus line 36) If negative, enter zero.	=	750

ALLOWANCES AGAINST STUDENT INCOME

38. 1994 U.S. income tax paid (FAFSA/SAR #56) (tax filers only); if negative, enter zero.		0
39. State and other tax allowance (Table A7)	+	30
40. Social Security tax allowance (Table A2)	+	57
41. Income protection allowance	+	1,750
42. TOTAL ALLOWANCES	=	1,837

STUDENT CONTRIBUTION FROM INCOME

Total income (from line 37)		750
Total allowances (from line 42)	-	1,837
43. Available income (AI) If negative, enter zero.	=	0
44. Assessment of AI	X	.50
45. STUDENT CONTRIBUTION FROM AI	=	0

STUDENT CONTRIBUTION FROM ASSETS

46. Cash, savings, & checking (FAFSA/SAR #75)		
47. Other real estate & investments value * (FAFSA/SAR #76)		
Other real estate & investments debt * (FAFSA/SAR #77)	-	
Net worth of real estate & investments If negative, enter zero.	= 47.	
48. Business value * (FAFSA/SAR #78)		
Business debt * (FAFSA/SAR #79)	-	
Net worth of business If negative, enter zero	= 48.	
49. Farm value * (FAFSA/SAR #80)		
Farm debt * (FAFSA/SAR #81)	-	
Net worth of farm If negative, enter zero. If the family resides on the farm, enter zero.	= 49.	
50. Net worth (sum of lines 46 through 49)	=	
51. Assessment rate	X	.35
52. CONTRIBUTION FROM ASSETS If negative, enter zero.	=	

EXPECTED FAMILY CONTRIBUTION

PARENTS' CONTRIBUTION (from line 30)		0
STUDENT CONTRIBUTION FROM AI (from line 45)	+	0
STUDENT CONTRIBUTION FROM ASSETS (from line 52)	+	
53. EXPECTED FAMILY CONTRIBUTION	=	0

* Do not include the student's home.

EFC ADJUSTMENT FOR OTHER THAN 9-MONTH ENROLLMENT

The EFC formulas calculate an EFC for a 9-month enrollment period. If a *dependent student* will be enrolled for less or more than 9 month period, the law *requires* that the EFC be adjusted. The CPS calculates adjusted EFCs for other than 9-month enrollments; these appear on the SAR or ISIR.

If an *independent student* will be enrolled for other than a 9-months, the law does not specify an adjusted EFC. However, the CPS performs a simple proration and the adjustment appears on the SAR or ISIR.

Important Reminder: EFCs adjusted for periods of enrollment other than 9 months must ***not*** be used in determining Pell Grant awards.

ESTIMATED AND OFFICIAL EFC

Estimated EFC

An estimated EFC can be used for packaging purposes before the official EFC is received—to estimate a Federal Pell Grant award, to award campus-based aid, and to certify loans under the FFEL or Direct Loan Programs.

Schools may not make a payment of any Title IV aid (except Federal PLUS Loans or Federal Direct PLUS Loans) until they receive the student's official EFC—that is, the EFC calculated by the CPS, using the CPS edits and matches.

Once an official EFC has been received from the CPS, the school has some new options for making payments based on a recalculated estimated EFC.

Official EFC

To be eligible for any Title IV aid (except for Federal PLUS Loans or Federal Direct PLUS Loans) a student must submit a FAFSA to the CPS directly or through one of the three nonfederal processors or file an electronic application through a school or servicer.

The CPS calculates the student's official EFC. The process includes CPS edits and eligibility matches. The school will receive the official EFC on either a Student Aid Report (SAR) or an Institutional Student Information Record (ISIR).

Table A1: State and Other Tax Allowance

for Worksheet A (parents only)

STATE	PERCENT OF TOTAL INCOME	
	$0-14,999	$15,000 or more
Alabama	5%	4%
Alaska	3%	2%
American Samoa	4%	3%
Arizona	6%	5%
Arkansas	6%	5%
California	8%	7%
Canada	4%	3%
Colorado	7%	6%
Connecticut	6%	5%
Delaware	8%	7%
District of Columbia	10%	9%
Federated States of Micronesia	4%	3%
Florida	4%	3%
Georgia	7%	6%
Guam	4%	3%
Hawaii	8%	7%
Idaho	7%	6%
Illinois	6%	5%
Indiana	6%	5%
Iowa	8%	7%
Kansas	7%	6%
Kentucky	7%	6%
Louisana	4%	3%
Maine	9%	8%
Marshall Islands	4%	3%
Maryland	9%	8%
Massachusetts	9%	8%
Mexico	4%	3%
Michigan	9%	8%
Minnesota	9%	8%
Mississippi	5%	4%
Missouri	6%	5%
Montana	8%	7%
Nebraska	8%	7%
Nevada	3%	2%
New Hampshire	7%	6%
New Jersey	8%	7%
New Mexico	6%	5%
New York	11%	10%
North Carolina	8%	7%
North Dakota	6%	5%
Northern Mariana Islands	4%	3%
Ohio	8%	7%
Oklahoma	6%	5%
Oregon	10%	9%
Palau	4%	3%
Pennsylvania	7%	6%
Puerto Rico	4%	3%
Rhode Island	9%	8%
South Carolina	8%	7%
South Dakota	4%	3%
Tennessee	3%	2%
Texas	3%	2%
Utah	8%	7%
Vermont	8%	7%
Virgin Islands	4%	3%
Virginia	8%	7%
Washington	4%	3%
West Virginia	6%	5%
Wisconsin	10%	9%
Wyoming	3%	2%
Blank or invalid State	4%	3%
OTHER	4%	3%

Multiply parents' total income (from Worksheet A, line 7) by the appropriate rate from the table above to get the "state and other tax allowance." Use the parents' STATE OF LEGAL RESIDENCE (FAFSA/SAR #49). If this item is blank or invalid, use the student's STATE OF LEGAL RESIDENCE (FAFSA/SAR #11). If both items are blank or invalid, use the STATE in the student's mailing address (FAFSA/SAR #6). If all three items are blank or invalid, use the rate for a blank or invalid state above.

Table A2: Social Security Tax

Calculate separately the Social Security tax of father, mother, and student.

Income Earned from Work *	Social Security Tax
$0 - $60,600	7.65% of income
$60,601 or greater	$4,635.90 + 1.45% of amount over $60,600

* Father's income earned from work is FAFSA/SAR #68.
Mother's income earned from work is FAFSA/SAR #69.
Student's income earned from work is FAFSA/SAR #57.
Social Security tax will never be less than zero.

Table A3: Income Protection Allowance

Number in parents' household, including student (FAFSA/SAR #51)	Number of college students in household (FAFSA/SAR #52)				
	1	2	3	4	5
2	$11,150	$9,240	———	———	———
3	13,890	11,990	$10,080	———	———
4	17,150	15,240	13,350	$11,440	———
5	20,240	18,330	16,430	14,520	$12,620
6	23,670	21,760	19,860	17,960	16,060

NOTE: For each additional family member, add $2,670.
For each additional college student, subtract $1,900

Table A4: Business/Farm Net Worth Adjustment

for Worksheet A (parents only)

If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than $1	$0
$1 to $80,000	40% of net worth
$80,001 to $240,000	$ 32,000 + 50% of net worth over $80,000
$240,001 to $400,000	$112,000 + 60% of net worth over $240,000
$400,001 or more	$208,000 + 100% of net worth over $400,000

Table A5: Education Savings and Asset Protection Allowance

for Worksheet A (parents only)

AGE OF OLDER PARENT *	Allowance if there are two parents	Allowance if there is only one parent	AGE OF OLDER PARENT *	Allowance if there are two parents	Allowance if there is only one parent
25 or less..	0	0	45	38,900	26,900
26	2,300	1,600	46	39,900	27,600
27	4,600	3,200	47	40,900	28,300
28	6,900	4,900	48	42,000	29,000
29	9,100	6,500	49	43,000	29,500
30	11,400	8,100	50	44,100	30,200
31	13,700	9,700	51	45,500	30,900
32	16,000	11,300	52	46,700	31,700
33	18,300	13,000	53	48,100	32,500
34	20,600	14,600	54	49,700	33,400
35	22,900	16,200	55	50,900	34,200
36	25,200	17,800	56	52,500	35,000
37	27,400	19,400	57	54,100	36,000
38	29,700	21,100	58	55,700	37,100
39	32,000	22,700	59	57,700	37,900
40	34,300	24,300	60	59,500	39,000
41	35,200	24,700	61	61,600	40,100
42	36,100	25,300	62	63,400	41,300
43	37,000	25,800	63	65,600	42,400
44	38,000	26,500	64	67,900	43,600
			65 or more	70,200	45,100

AGE OF OLDER PARENT is FAFSA/SAR #82; if blank, use age 45 on the table.

Table A6: Contribution From AAI

If AAI is—	Then the contribution from AAI is—
Less than -$3,409	-$750
-$3,409 to $10,000	22% of AAI
$10,001 to $12,500	$2,200 + 25% of AAI over $10,000
$12,501 to $15,100	$2,825 + 29% of AAI over $12,500
$15,101 to $17,600	$3,579 + 34% of AAI over $15,100
$17,601 to $20,100	$4,429 + 40% of AAI over $17,600
$20,101 or more	$5,429 + 47% of AAI over $20,100

Table A7: State and Other Tax Allowance
for Worksheet A (student only)

Alabama	3%
Alaska	0%
American Samoa	2%
Arizona	3%
Arkansas	4%
California	5%
Canada	2%
Colorado	4%
Connecticut	2%
Delaware	5%
District of Columbia	7%
Federated States of Micronesia	2%
Florida	1%
Georgia	4%
Guam	2%
Hawaii	6%
Idaho	5%
Illinois	2%
Indiana	4%
Iowa	5%
Kansas	4%
Kentucky	5%
Louisiana	2%
Maine	5%
Marshall Islands	2%
Maryland	6%
Massachusetts	5%
Mexico	2%
Michigan	4%
Minnesota	6%
Mississippi	3%
Missouri	3%
Montana	5%
Nebraska	4%
Nevada	0%
New Hampshire	1%
New Jersey	3%
New Mexico	4%
New York	7%
North Carolina	5%
North Dakota	2%
Northern Mariana Islands	2%
Ohio	5%
Oklahoma	4%
Oregon	6%
Palau	2%
Pennsylvania	3%
Puerto Rico	2%
Rhode Island	4%
South Carolina	5%
South Dakota	0%
Tennessee	0%
Texas	0%
Utah	5%
Vermont	4%
Virgin Islands	2%
Virginia	4%
Washington	0%
West Virginia	4%
Wisconsin	5%
Wyoming	0%
Blank or Invalid State	2%
OTHER	2%

Multiply the total income of student (Worksheet A, line 37) by the appropriate rate from the table above to get the "state and other tax allowance." Use the student's STATE OF LEGAL RESIDENCE (FAFSA/SAR #11). If this item is blank or invalid, use the STATE in student's mailing address (FAFSA/SAR #6). If both items are blank or invalid, use the parents' STATE OF LEGAL RESIDENCE (FAFSA/SAR #49). If all three items are blank or invalid, use the rate for a blank or invalid state above.

Table B1: State and Other Tax Allowance

Alabama	3%	Missouri	3%
Alaska	0%	Montana	5%
American Samoa	2%	Nebraska	4%
Arizona	3%	Nevada	0%
Arkansas	4%	New Hampshire	1%
California	5%	New Jersey	3%
Canada	2%	New Mexico	4%
Colorado	4%	New York	7%
Connecticut	2%	North Carolina	5%
Delaware	5%	North Dakota	2%
District of Columbia	7%	Northern Mariana Islands	2%
Federated States of Micronesia	2%	Ohio	5%
Florida	1%	Oklahoma	4%
Georgia	4%	Oregon	6%
Guam	2%	Palau	2%
Hawaii	6%	Pennsylvania	3%
Idaho	5%	Puerto Rico	2%
Illinois	2%	Rhode Island	4%
Indiana	4%	South Carolina	5%
Iowa	5%	South Dakota	0%
Kansas	4%	Tennessee	0%
Kentucky	5%	Texas	0%
Louisiana	2%	Utah	5%
Maine	5%	Vermont	4%
Marshall Islands	2%	Virgin Islands	2%
Maryland	6%	Virginia	4%
Massachusetts	5%	Washington	0%
Mexico	2%	West Virginia	4%
Michigan	4%	Wisconsin	5%
Minnesota	6%	Wyoming	0%
Mississippi	3%	Blank or Invalid State	2%
		OTHER	2%

Multiply the total income of student and spouse (Worksheet B, line 7) by the appropriate rate from table above to get the "state and other tax allowance." Use the student's STATE OF LEGAL RESIDENCE (FAFSA/SAR #11) reported on the FAFSA. If this item is blank or invalid, use the state in the student's mailing address (FAFSA/SAR #6). If both items are blank or invalid, use rate for blank or invalid state above.

Table B2: Social Security Tax

Calculate separately the Social Security tax of student and spouse.

Income Earned from Work *	Social Security Tax
$0 - $60,600	7.65% of income
$60,601 or greater	$4,635.90 + 1.45% of amount over $60,600

* Student's 1994 income earned from work is FAFSA/SAR #57.
Spouse's 1994 income earned from work is FAFSA/SAR #58.
Social Security tax will never be less than zero.

Table B3: Business/Farm Net Worth Adjustment

If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than $1	$0
$1 to $80,000	40% of net worth
$80,001 to $240,000	$ 32,000 + 50% of net worth over $80,000
$240,001 to $400,000	$112,000 + 60% of net worth over $240,000
$400,001 or more	$208,000 + 100% of net worth over $400,000

Table B4
Asset Protection Allowance

Age of student as of 12/31/95 *	Allowance for—	
	Married Student	Unmarried Student
25 or less	0	0
26	2,300	1,600
27	4,600	3,200
28	6,900	4,900
29	9,100	6,500
30	11,400	8,100
31	13,700	9,700
32	16,000	11,300
33	18,300	13,000
34	20,600	14,600
35	22,900	16,200
36	25,200	17,800
37	27,400	19,400
38	29,700	21,100
39	32,000	22,700
40	34,300	24,300
41	35,200	24,700
42	36,100	25,300
43	37,000	25,800
44	38,000	26,500
45	38,900	26,900
46	39,900	27,600
47	40,900	28,300
48	42,000	29,000
49	43,000	29,500
50	44,100	30,200
51	45,500	30,900
52	46,700	31,700
53	48,100	32,500
54	49,700	33,400
55	50,900	34,200
56	52,500	35,000
57	54,100	36,000
58	55,700	37,100
59	57,700	37,900
60	59,500	39,000
61	61,600	40,100
62	63,400	41,300
63	65,600	42,400
64	67,900	43,600
65 or more	70,200	45,100

* Determine student's age as of 12/31/95 from student's date of birth (FAFSA/SAR #9)

Table C1: State and Other Tax Allowance

STATE	PERCENT OF TOTAL INCOME	
	$0-14,999	$15,000 or more
Alabama	5%	4%
Alaska	3%	2%
American Samoa	4%	3%
Arizona	6%	5%
Arkansas	6%	5%
California	8%	7%
Canada	4%	3%
Colorado	7%	6%
Connecticut	6%	5%
Delaware	8%	7%
District of Columbia	10%	9%
Federated States of Micronesia	4%	3%
Florida	4%	3%
Georgia	7%	6%
Guam	4%	3%
Hawaii	8%	7%
Idaho	7%	6%
Illinois	6%	5%
Indiana	6%	5%
Iowa	8%	7%
Kansas	7%	6%
Kentucky	7%	6%
Louisana	4%	3%
Maine	9%	8%
Marshall Islands	4%	3%
Maryland	9%	8%
Massachusetts	9%	8%
Mexico	4%	3%
Michigan	9%	8%
Minnesota	9%	8%
Mississippi	5%	4%
Missouri	6%	5%
Montana	8%	7%
Nebraska	8%	7%
Nevada	3%	2%
New Hampshire	7%	6%
New Jersey	8%	7%
New Mexico	6%	5%
New York	11%	10%
North Carolina	8%	7%
North Dakota	6%	5%
Northern Mariana Islands	4%	3%
Ohio	8%	7%
Oklahoma	6%	5%
Oregon	10%	9%
Palau	4%	3%
Pennsylvania	7%	6%
Puerto Rico	4%	3%
Rhode Island	9%	8%
South Carolina	8%	7%
South Dakota	4%	3%
Tennessee	3%	2%
Texas	3%	2%
Utah	8%	7%
Vermont	8%	7%
Virgin Islands	4%	3%
Virginia	8%	7%
Washington	4%	3%
West Virginia	6%	5%
Wisconsin	10%	9%
Wyoming	3%	2%
Blank or invalid State	4%	3%
OTHER	4%	3%

Multiply the total income of student and spouse (from Worksheet C, line 7) by the appropriate rate from the table above to get the "state and other tax allowance." Use the student's STATE OF LEGAL RESIDENCE (FAFSA/SAR #11) reported on the FAFSA. If this item is blank or invalid, use the STATE in the student's mailing address (FAFSA/SAR #6). If both items are blank or invalid, use the rate for blank or invalid state above.

Table C2: Social Security Tax

Calculate separately the Social Security tax of student and spouse.

Income Earned from Work *	Social Security Tax
$0 - $60,600	7.65% of income
$60,601 or greater	$4,635.90 + 1.45% of amount over $60,600

* Student's 1994 income earned from work is FAFSA/SAR #57.
Spouse's 1994 income earned from work is FAFSA/SAR #58.
Social Security tax will never be less than zero.

Table C3: Income Protection Allowance

Number in student's household, including student (FAFSA/SAR #46)	Number of college students in household (FAFSA/SAR #47)				
	1	2	3	4	5
2	$11,150	$9,240	——	——	——
3	13,890	11,990	$10,080	——	——
4	17,150	15,240	13,350	$11,440	——
5	20,240	18,330	16,430	14,520	$12,620
6	23,670	21,760	19,860	17,960	16,060

NOTE: For each additional family member, add $2,670.
For each additional college student, subtract $1,900

Table C4: Business/Farm Net Worth Adjustment

If the net worth of a business or farm is—	Then the adjusted net worth is—
Less than $1	$0
$1 to $80,000	40% of net worth
$80,001 to $240,000	$ 32,000 + 50% of net worth over $80,000
$240,001 to $400,000	$112,000 + 60% of net worth over $240,000
$400,001 or more	$208,000 + 100% of net worth over $400,000

Table C5: Asset Protection Allowance

Age of student as of 12/31/95*	Allowance for— Married Student	Allowance for— Unmarried Student	Age of student as of 12/31/95*	Allowance for— Married Student	Allowance for— Unmarried Student
25 or less.	0	0	45	38,900	26,900
26	2,300	1,600	46	39,900	27,600
27	4,600	3,200	47	40,900	28,300
28	6,900	4,900	48	42,000	29,000
29	9,100	6,500	49	43,000	29,500
30	11,400	8,100	50	44,100	30,200
31	13,700	9,700	51	45,500	30,900
32	16,000	11,300	52	46,700	31,700
33	18,300	13,000	53	48,100	32,500
34	20,600	14,600	54	49,700	33,400
35	22,900	16,200	55	50,900	34,200
36	25,200	17,800	56	52,500	35,000
37	27,400	19,400	57	54,100	36,000
38	29,700	21,100	58	55,700	37,100
39	32,000	22,700	59	57,700	37,900
40	34,300	24,300	60	59,500	39,000
41	35,200	24,700	61	61,600	40,100
42	36,100	25,300	62	63,400	41,300
43	37,000	25,800	63	65,600	42,400
44	38,000	26,500	64	67,900	43,600
			65 or more	70,200	45,100

* Determine student's age as of 12/31/95 from student's date of birth (FAFSA/SAR #9)

Table C6: Contribution From AAI

If AAI is—	**Then the contribution from AAI is—**
Less than -$3,409	-$750
-$3,409 to $10,000	22% of AAI
$10,001 to $12,500	$2,200 + 25% of AAI over $10,000
$12,501 to $15,100	$2,825 + 29% of AAI over $12,500
$15,101 to $17,600	$3,579 + 34% of AAI over $15,100
$17,601 to $20,100	$4,429 + 40% of AAI over $17,600
$20,101 or more	$5,429 + 47% of AAI over $20,100

Session 15 - Federal Output Documents

Main Objective: You will be able to recognize and understand the significance of major elements of the Student Aid Report (SAR) and the Institutional Student Information Record (ISIR).

INTRODUCTION TO FEDERAL OUTPUT DOCUMENTS

(*The 1995-96 Federal Student Financial Aid Handbook,* Introduction and Program Update; 1994 Action Letters #3, #5, and #9)

On receiving FAFSA data, the Central Processing System (CPS) performs the following functions:

- **Edit checks**. These "edits" check the consistency of the student's information.

- **Eligibility matches**. These "matches" check the student's information against records held by the Department of Justice, the Immigration and Naturalization Service, the Selective Service, and the Social Security Administration. In addition, "matches" are performed against overpayment, verification, and drug-abuse hold files. The student's information is also matched against ED records on student-loan defaulters.

- **EFC calculation**.

The CPS generates the federal output documents that a school receives. These documents contain all of a student's application information (keyed to the same numbering scheme as the FAFSA) and are listed below.

- The **Student Aid Report (SAR)** is a paper document. It is mailed to the student to deliver to the school.

- The **Institutional Student Information Record** (ISIR) is received electronically by the school from the CPS. The school must participate in Electronic Data Exchange (EDE) to receive ISIRs. On receiving the ISIR, the school must generate a printed version for the student.

A school must have one of these two output documents in a student's file to demonstrate the student's Title IV aid eligibility. Schools that report Pell Grant disbursements electronically **must** use an ISIR instead of an paper SAR as final documentation of a student's eligibility for a Federal Pell Grant.

A chart summarizing the federal output documents and their uses is on page 5 of this Guide.

General Features of the SAR and ISIR

The Student Aid Report (SAR) and ISIR includes EFCs, comments arising from edits and eligibility matches, and the student's Personal Identification Number (PIN).

Types of Student Aid Reports

- **Federal Pell Grant Eligible SAR:** This can be taken or sent to the school for a student to receive of a Federal Pell Grant;
- **Federal Pell Grant Ineligible SAR:** This says the student is not eligible for a Pell Grant, but the SAR data may be used in awarding other Title IV funds and institutional aid; *or*
- **Rejected SAR:** This is returned because student-supplied information was incomplete or inconsistent. It consists of Part 1 and Part 2 (Information Request Form). Part 2 must be corrected and resubmitted to the FAFSA processor.

The chart below summarizes the different SAR types.

SAR Types and Their Components

SAR Types	Part 1	Part 2	Part 3 Payment Voucher
Pell Eligible	Yes	Yes	Yes
Pell Ineligible	Yes	Yes	Yes
Rejected	Yes	Yes	No

PARTS OF THE STUDENT AID REPORT (SAR)

(1995-96 Action Letter #9, February 1995 [GEN-95-10])

Part 1 - Information Summary

The FAA, as well as the student, should read the comments on Part 1 very carefully. The comments may require further action on the student's part or on the FAA's part before eligibility can be determined.

Part 2 - Information Review Form *or* Information Request Form

The Information Review Form allows students to review (and change, if necessary) information they supplied on their aid applications.

The "School Use Only" box is used to show EFC recalculations after corrections and EFC recalculations after FAA adjustments or dependency overrides, as well as to request that the CPS recalculate the EFC after adjustments.

A student whose application is incomplete or inconsistent will receive a Rejected SAR.

Part 3 - Federal Pell Grant Payment Voucher

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 3, Section 7)

A Federal-Pell-Grant-eligible SAR will include Part 3, a Payment Voucher. The Payment Voucher is used to report payment data to ED's Pell Grant Recipient and Financial Management System (PGRFMS) in a paper format. As of 1996-97, all schools will be required to report Pell Grant payment data electronically, through the Electronic Data Exchange (EDE), Recipient Data Exchange (RDE), or Floppy Disk Data Exchange (FDDE); the paper Payment Voucher will be eliminated.

TRANSFER OF FAFSA DATA AMONG FAFSA PROCESSORS

There are several ways in which students can have their application data transferred from one FAFSA processor to another.

Schools must accept any valid SAR for purposes of awarding Title IV funds, regardless of which FAFSA processor produced the SAR.

INSTITUTIONAL STUDENT INFORMATION RECORD (ISIR)

(1995-96 Action Letter #9, February 1995 [GEN-95-10] and the *1995-96 EDExpress User's Guide*)

The Electronic Data Exchange, or EDE, allows a school to exchange information with the Central Processing System (CPS) via an electronic network. Various types of information may flow over the system, including FAFSA information, CPS need analysis results, and student payment data.

By using the system, schools rapidly obtain the same information that they would receive on a printed SAR. A complete set of electronically processed information on a student is called a record. The printout of an electronic record is called an electronic ISIR; it serves as the official, electronic equivalent of the SAR.

Electronic Corrections and Changes

Instead of using Part 2 of the paper SAR to make student information corrections and report adjustments, schools can do so using the electronic system. Schools send changed data to be processed via EDE and receive the results electronically.

Electronic Payment Information

The Electronic Payment Information System provides an electronic process for reporting Pell Grant payment information. The *1995-96 EDExpress User's Guide* provides detailed information on the Electronic Data Exchange (EDE).

Federal Output Documents and Their Uses

Output Document	Federal Pell Grant	Campus-Based Programs[1]	Federal Family Education Loan Program[2]	Wm. D. Ford Federal Direct Loan Program[3]
SAR (Student Aid Report)	• Awarding • Disbursing • Reporting corrections and payments	• Awarding • Disbursing	• Awarding • Loan certification • Delivery	• Awarding • Disbursing
electronic ISIR (Institutional Student Information Record)	• Awarding • Disbursing • Reporting corrections and payments	• Awarding • Disbursing	• Awarding • Loan certification • Delivery	• Awarding • Disbursing
ISIR (Institutional Student Information Record)[4]	• Awarding • Disbursing	• Awarding • Disbursing	• Awarding • Loan certification • Delivery	• Awarding • Disbursing

[1] Campus-Based Programs:
- Federal Supplemental Edcuational Opportunity Grant (FSEOG)
- Federal Work-Study (FWS)
- Federal Perkins Loan (FPL)

[2] Federal Family Education Loan (FFEL) Program:
- Federal Stafford Loan
- Federal Unsubsidized Stafford Loan
- Federal PLUS Loan

[3] William D. Ford Federal Direct Loan (Direct Loan) Program:
- Federal Direct Stafford/Ford Loan
- Federal Direct Unsubsidized Stafford/Ford Loan
- Federal Direct PLUS/Ford Loan

[4] Paper roster or magnetic tape or cartridge (as of 1995-96, the paper roster will not be available).

BEST COPY AVAILABLE

1995-96 Student Aid Report
Federal Student Aid Programs
Part 1 - Information Summary

OMB No. 1840-0132
Form Approved
Exp. 12-31-96

MA-01 PIN: 5493

IMPORTANT: Read **ALL** information in Part 1 to find out what to do with this Report

S000,013T00000043

March 17, 1995
EFC: 00000*C

Page 1 of 5

PAUL MAGELLAN
512 NEW WORLD WAY
SAR, VA 22309

Read this letter carefully and review each item on Part 2 of this Student Aid Report (SAR). Follow the instructions at the top of Part 2 and in the Free Application for Federal Student Aid (FAFSA) instruction booklet to help you make corrections. For additional help with your SAR, contact your Financial Aid Administrator (FAA).

If all the information on this SAR is correct, you may be eligible to receive a Federal Pell Grant and other Federal student aid in 1995-96. Your FAA will determine whether you meet all eligibility requirements to receive aid. The amount of aid will depend on the cost of attendance at your school, your enrollment status (full-time, three-quarter-time, half-time, or less than half-time), Congressional budget restrictions, and other factors.

HERE IS WHAT YOU NEED TO DO NOW: Review the information on Part 2. If any of the information is incorrect, make corrections by following the instructions at the top of Part 2. IF ALL THE INFORMATION IS CORRECT, review the Student's Use Box on the back of the first page of Part 1. Provide the information required and sign your name. Then submit ALL 3 PARTS of your SAR to your FAA.

You provided your parents' estimated 1994 income tax information on your application. If your parents have now filed their 1994 income tax return, correct any items in Section F of this SAR to reflect the information as reported on their tax return. If you or your parents don't file an income tax return before you submit your SAR to your school, check with your FAA to find out how to make corrections later, if you need to.

Your application has been selected for review in a process called verification. Complete the enclosed verification worksheet and submit it to your FAA. You must also submit signed copies of certain 1994 financial documents for you and your parents. Contact your FAA to find out which documents are required.

ATTENTION: We were unable to find any schools you listed on our school file, or you did not list any schools on your application, or did not verify any schools on your renewal application. To receive Federal student aid, you must attend a school that participates in the Federal student aid programs. Check with each school you are considering in 1995-96 to find out if it participates in these programs. Contact your FAA for assistance to make the necessary corrections to your SAR.

(letter continued on next page)

is section contains information from your student aid application (shaded items display parents' information, if provided). Use the Information Review Form (Part 2 of your SAR) to correct this information. Do not make corrections on this page.

1. LAST NAME	MAGELLAN
2. FIRST NAME	PAUL
3. MIDDLE INITIAL	
4. PERMANENT STREET ADDRESS	512 NEW WORLD WAY
5. CITY	SAR
6. STATE ABBREVIATION	VA
7. ZIP CODE	22309
8. SOCIAL SECURITY NUMBER	
9. DATE OF BIRTH	MARCH 31, 1975
10. PERMANENT HOME PHONE NUMBER	(703) 111-0000
11. STATE OF LEGAL RESIDENCE	VA
12. DATE YOU BECAME A LEGAL RESIDENT	MARCH 31, 1975
13. DRIVER'S LICENSE STATE ABBREVIATION	VA
14. DRIVER'S LICENSE NUMBER	00000000
15. CITIZENSHIP STATUS	U.S. CITIZEN
16. ALIEN REGISTRATION NUMBER	
17. MARITAL STATUS	UNMARRIED
18. DATE OF MARITAL STATUS	(BLANK)
19. FIRST BACHELOR'S DEGREE BY 7-1-95?	NO
20. HIGH SCHOOL GRADUATION DATE	JUNE 1995
21. GED DIPLOMA DATE	(BLANK)
22. FATHER'S EDUCATIONAL LEVEL	HIGH SCHOOL
23. MOTHER'S EDUCATIONAL LEVEL	HIGH SCHOOL
24. ENROLLMENT STATUS SUMMER TERM 1995	NOT ENROLLED
25. ENROLLMENT STATUS FALL SEM/QTR 1995	FULL TIME
26. ENROLLMENT STATUS WINTER QTR 1995-96	NOT ENROLLED
27. ENROLLMENT STATUS SPRING SEM/QTR 1996	FULL TIME
28. ENROLLMENT STATUS SUMMER TERM 1996	NOT ENROLLED
29. COURSE OF STUDY	BUSINESS
30. TYPE OF DEGREE/CERTIFICATE	ASSOCIATE
31. DATE EXPECT TO RECEIVE DEGREE	MAY 30, 1999
32. GRADE LEVEL IN COLLEGE IN 1995-96	1ST NEVER ATTENDED
33. INTERESTED IN EMPLOYMENT?	YES
34. INTERESTED IN STUDENT LOANS?	YES
35. INTERESTED IN PARENT LOANS?	(BLANK)
36. ATTENDING SAME COLLEGE IN 1995-96?	(BLANK)
37. WILL PAY DEPENDENT CARE FOR HOW MANY?	00
38. MONTHLY VA BENEFITS AMOUNT	$ 0
39. HOW MANY MONTHS RECEIVE VA BENEFITS?	00
40. BORN BEFORE 1-1-72?	NO
41. VETERAN OF U.S. ARMED FORCES?	NO
42. ENROLLED IN GRADUATE PROGRAM 1995-96?	NO
43. ARE YOU MARRIED?	NO
44. ORPHAN OR WARD OF COURT?	NO
45. HAVE DEPENDENTS OTHER THAN SPOUSE?	NO
46. NUMBER OF FAMILY MEMBERS IN 1995-96	DO NOT CORRECT
47. NUMBER IN COLLEGE IN 1995-96	DO NOT CORRECT
48. MARITAL STATUS	MARRIED
49. STATE OF LEGAL RESIDENCE	VA
50. DATE PARENT(S) BECAME LEGAL RESIDENTS	FEBRUARY 16, 1970
51. NUMBER OF FAMILY MEMBERS IN 1995-96	05
52. NUMBER IN COLLEGE IN 1995-96	1

53. TYPE OF 1994 TAX FORM USED	NOT FILED
54. EXEMPTIONS CLAIMED	
55. ADJUSTED GROSS INCOME FROM IRS FORM	$
56. U.S. INCOME TAX PAID	$
57. STUDENT'S INCOME EARNED FROM WORK	$ 750
58. SPOUSE'S INCOME EARNED FROM WORK	$ 0
59. ANNUAL SOCIAL SECURITY BENEFITS	$ 0
60. ANNUAL AFDC/ADC	$ 0
61. ANNUAL CHILD SUPPORT RECEIVED	$ 0
62. OTHER UNTAXED INCOME	$ 0
63. 1994 EXCLUSIONS, WORKSHEET #3	$ 0
64. TYPE OF 1994 TAX FORM USED	ESTIMATED 1040A/EZ
65. EXEMPTIONS CLAIMED	05
66. ADJUSTED GROSS INCOME FROM IRS FORM	$ 11,750
67. U.S. INCOME TAX PAID	$ 0
68. FATHER'S INCOME EARNED FROM WORK	$ 11,750
69. MOTHER'S INCOME EARNED FROM WORK	$ 0
70. ANNUAL SOCIAL SECURITY BENEFITS	$ 5,000
71. ANNUAL AFDC/ADC	$ 0
72. ANNUAL CHILD SUPPORT RECEIVED	$ 2,000
73. OTHER UNTAXED INCOME	$ 0
74. 1994 EXCLUSIONS, WORKSHEET #3	$ 0
75. CASH, SAVINGS, AND CHECKING	$
76. OTHER REAL ESTATE/INVESTMENT VALUE	$
77. OTHER REAL ESTATE/INVESTMENT DEBT	$
78. BUSINESS VALUE	$
79. BUSINESS DEBT	$
80. FARM VALUE	$
81. FARM DEBT	$
82. AGE OF OLDER PARENT	
83. CASH, SAVINGS, AND CHECKING	$
84. OTHER REAL ESTATE/INVESTMENT VALUE	$
85. OTHER REAL ESTATE/INVESTMENT DEBT	$
86. BUSINESS VALUE	$
87. BUSINESS DEBT	$
88. FARM VALUE	$
89. FARM DEBT	$
90. FIRST COLLEGE NAME	
91. FIRST HOUSING STATUS	(BLANK)
92. SECOND COLLEGE NAME	
93. SECOND HOUSING STATUS	(BLANK)
94. THIRD COLLEGE NAME	
95. THIRD HOUSING STATUS	(BLANK)
96. FOURTH COLLEGE NAME	
97. FOURTH HOUSING STATUS	(BLANK)
98. FIFTH COLLEGE NAME	
99. FIFTH HOUSING STATUS	(BLANK)
100. SIXTH COLLEGE NAME	
101. SIXTH HOUSING STATUS	(BLANK)
102. SHOULD DATA BE RELEASED TO STATE?	YES
103. REGISTER YOU FOR SELECTIVE SERVICE?	(BLANK)
104. SIGNED BY?	BOTH
105. DATE COMPLETED	JANUARY 25, 1995
106. PREPARER'S EIN	(BLANK)
107. PREPARER'S SOCIAL SECURITY NUMBER	(BLANK)
108. PREPARER'S SIGNATURE	(BLANK)

Student's Use Box EFC: 00000*C SEC.EFC: MA 01

CERTIFICATION STATEMENT ON REFUNDS AND DEFAULT

I certify that I do not owe a refund on any grant or loan, am not in default on any loan or have made satisfactory arrangements to repay any defaulted loan, and have not borrowed in excess of the loan limits, under Title IV programs, at any institution.

STATEMENT OF EDUCATIONAL PURPOSE

I will use all Title IV money received only for expenses related to my study at

____
(Name of Institution)

STATEMENT OF REGISTRATION STATUS

___ I certify that I am registered with Selective Service
___ I certify that I am not required to be registered with Selective Service because
  ___ I am a female
  ___ I am in the armed services on active duty (Note: Does not apply to members of the Reserves and National Guard who are not on active duty)
  ___ I have not reached my 18th birthday
  ___ I was born before 1960
  ___ I am a resident of the Federated States of Micronesia, or the Marshall Islands, or a permanent resident of the Trust Territory of the Pacific Islands (Palau)

______________________________ ______________
(Student's Signature) (Date)

WARNING: To receive any Title IV financial aid, you must complete the Statement of Educational Purpose and Certification Statement on Refunds and Default, and you must be registered with Selective Service, if you are required to register. If you purposely give false or misleading information, you may be subject to a fine of up to $10,000, imprisonment for up to 5 years, or both.

1995-96 Student Aid Report
Federal Student Aid Programs
Part 1 - Information Summary

OMB No. 1840-0132
Form Approved
Exp. 12-31-96

MA-01 PIN: 5493

IMPORTANT: Read **ALL** information in Part 1 to find out what to do with this Report

(letter continued)

The Selective Service reported that you have not registered with them. If you are female or were born before 1960, disregard this comment. Otherwise, a male who is required to register with Selective Service must be registered before aid can be disbursed. If you have not yet registered, are male, and are 18 through 25 years of age, you must either check the "Yes" box for Item 103 on Part 2 of your SAR, or obtain and complete a Selective Service Registration form, available at your local post office. If you believe you have already registered or are exempt, please contact the Selective Service at 708-688-6888 to resolve any problems regarding your registration status.

FAA INFORMATION

Agency Source: 4
MDE Record Type:
Record Type:
Verification Type: 25
Verification Flag: 25

Model: D
Duplicate Copy:
SysGen:
Dependency Override:
Special Handling: *

FAA Adjustment Flag:
FAA Recalculation Flag:
Reject Reasons:
Electronic Transaction:
Application Receipt Date: 03/14/95

MONTHS:	1	2	3	4	5	6	7	8	9	10	11	12
PRIMARY EFC:									00000			
SECONDARY EFC:												

INTERMEDIATE COMPUTE VALUES:

TI:	0018750	ATI:		STX:		IPA:		EA:	
AI:		DNW:		APA:		PCA:		AAI:	
TPC:		TSC:		APC:		SIC:		SCA:	

Auto Zero EFC Flag: Y
Special Condition Flag:
SNT Flag: Y

MATCH FLAGS:

SSN Match Flag: 3
Selective Service Match: N

NSLDS Match Flag: 1
INS Match Flag:

Selective Service Registration Flag:
INS Verification #:

COMMENTS: 156 104

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MA 0

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PAUL MAGELLAN

Part 1 - Information Summary
NSLDS INFORMATION

Federal Loan Programs	Net Loan Amount	Grade Level	Begin Date	End Date	Gross Disbursement

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MA 01

1995-96 Student Aid Report
Federal Student Aid Programs
Part 2 - Information Review Form

OMB No. 1840-0132
Form Approved
Exp. 12-31-96

Processed: 03-17-95
EFC: 00000•C

- Pay special attention to any items in **BOLDFACE TYPE;** they may need to be corrected.
- To correct an item, print the correct answer in the "The correct answer is" column.
- To delete an answer in the "You Told Us" column, draw a line through it.
- Use the code information on the last page of Part 2 if you need to correct items 24-28 and/or 32.
- If you make corrections, send **BOTH pages of Part 2** to the address on the last page of Part 2. **Do not attach tax or any other forms.**

MA-01 PIN: 549

We asked for	You told us		The correct answer is
A. You (the student)			
1. Last Name	MAGELLAN	1	
2. First Name	PAUL	2	
3. Middle Initial		3	
4. Permanent Street Address	512 NEW WORLD WAY	4	
5. City	SAR	5	
6. State Abbreviation	VA	6	
7. ZIP Code	22309	7	
8. Social Security Number		8	
9. Date of Birth	MARCH 31, 1975	9	- - MM-DD-YY
10. Permanent Home Phone Number	(703) 111-0000	10	- -
11. State of Legal Residence	VA	11	
12. Date You Became a Legal Resident	MARCH 31, 1975	12	- - MM-DD-YY
13. Driver's License State Abbreviation	VA	13	
14. Driver's License Number	00000000	14	
15. Citizenship Status	U.S. CITIZEN	15	
16. Alien Registration Number		16	A
17. Marital Status	UNMARRIED	17	
18. Date of Marital Status	(BLANK)	18	- MM-YY
19. First Bachelor's Degree by 7-1-95?	NO	19	☐ Yes ☐ No
B. Education Background			
20. High School Graduation Date	JUNE 1995	20	- MM-YY
21. GED Diploma Date	(BLANK)	21	- MM-YY
22. Father's Educational Level	HIGH SCHOOL	22	
23. Mother's Educational Level	HIGH SCHOOL	23	
C. Your Plans			
24. Enrollment Status Summer Term 1995	NOT ENROLLED	24	<--Enter Code
25. Enrollment Status Fall Sem/Qtr 1995	FULL TIME	25	<--Enter Code
26. Enrollment Status Winter Qtr 1995-96	NOT ENROLLED	26	<--Enter Code
27. Enrollment Status Spring Sem/Qtr 1996	FULL TIME	27	<--Enter Code
28. Enrollment Status Summer Term 1996	NOT ENROLLED	28	<--Enter Code
29. Course of Study	BUSINESS	29	DO NOT CORRECT
30. Type of Degree/Certificate	ASSOCIATE	30	DO NOT CORRECT
31. Date Expect to Receive Degree	MAY 30, 1999	31	- - MM-DD-YY
32. Grade Level in College in 1995-96	1ST NEVER ATTENDED	32	<--Enter Code
33. Interested in Employment?	YES	33	☐ Yes ☐ No
34. Interested in Student Loans?	YES	34	☐ Yes ☐ No
35. Interested in Parent Loans?	(BLANK)	35	☐ Yes ☐ No
36. Attending Same College in 1995-96?	(BLANK)	36	☐ Yes ☐ No
37. Will Pay Dependent Care For How Many?	00	37	
38. Monthly VA Benefits Amount	$ 0	38	$ .C
39. How Many Months Receive VA Benefits?	00	39	

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MA 01

We asked for	You told us	The correct answer is

D. Student Status

40. Born Before 1-1-72?	NO	40	☐ Yes	☐ No
41. Veteran of U.S. Armed Forces?	NO	41	☐ Yes	☐ No
42. Enrolled in Graduate Program 1995-96?	NO	42	☐ Yes	☐ No
43. Are You Married?	NO	43	☐ Yes	☐ No
44. Orphan or Ward of Court?	NO	44	☐ Yes	☐ No
45. Have Dependents Other Than Spouse?	NO	45	☐ Yes	☐ No

E. Household Information
Student (and Spouse)

46. Number of Family Members in 1995-96	DO NOT CORRECT	46	
47. Number in College in 1995-96	DO NOT CORRECT	47	

Parents

48. Marital Status	MARRIED	48	
49. State of Legal Residence	VA	49	
50. Date Parent(s) Became Legal Residents	FEBRUARY 16, 1970	50	- - MM-DD-YY
51. Number of Family Members in 1995-96	05	51	
52. Number in College in 1995-96	1	52	

F. 1994 Income, Earnings, and Benefits
Student (and Spouse)

Codes for Type of 1994 Tax Form Used (Items 53 and 64):
1 - Completed 1994 IRS 1040A or 1040EZ
2 - Completed 1994 IRS 1040
3 - Estimated 1994 IRS 1040A or 1040EZ
4 - Estimated 1994 IRS 1040
5 - Will Not File a 1994 U.S. Income Tax Return

53. Type of 1994 Tax Form Used	NOT FILED	53	<--Enter Code From Above
54. Exemptions Claimed		54	
55. Adjusted Gross Income From IRS Form	$	55	$ .00
56. U.S. Income Tax Paid	$	56	$ .00
57. Student's Income Earned From Work	$ 750	57	$ .00
58. Spouse's Income Earned From Work	$ 0	58	$ .00
59. Annual Social Security Benefits	$ 0	59	$ .00
60. Annual AFDC/ADC	$ 0	60	$ .00
61. Annual Child Support Received	$ 0	61	$ .00
62. Other Untaxed Income	$ 0	62	$ .00
63. 1994 Exclusions, Worksheet #3	$ 0	63	$ .00

Parents

64. Type of 1994 Tax Form Used	ESTIMATED 1040A/EZ	64	<--Enter Code From Above
65. Exemptions Claimed	05	65	
66. Adjusted Gross Income From IRS Form	$ 11,750	66	$ .00
67. U.S. Income Tax Paid	$ 0	67	$ .00
68. Father's Income Earned From Work	$ 11,750	68	$ .00
69. Mother's Income Earned From Work	$ 0	69	$ .00
70. Annual Social Security Benefits	$ 5,000	70	$ .00
71. Annual AFDC/ADC	$ 0	71	$ .00
72. Annual Child Support Received	$ 2,000	72	$ .00
73. Other Untaxed Income	$ 0	73	$ .00
74. 1994 Exclusions, Worksheet #3	$ 0	74	$ .00

Part 2 (your Information Review Form) is continued on the following page. Please refer to the instructions on the front of Part 2 when reviewing the rest of your information. If you make corrections, send BOTH pages of Part 2 to the address next to the Certification statement at the end of Part 2.

MA 01

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1995-96 Student Aid Report
Federal Student Aid Programs
Part 2 - Information Review Form

OMB No. 1840-0132
Form Approved
Exp. 12-31-96

Processed: 03-17-95
EFC: 00000*C

CONTINUED

Continue reviewing this form as instructed on the previous page.
Be sure to read the information on the back of this page.

MA-01 PIN: 5493

We asked for	You told us		The correct answer is
G. Asset Information			
Student (and Spouse)	PAUL MAGELLAN		
75. Cash, Savings, and Checking	$	75	$ .00
76. Other Real Estate/Investment Value	$	76	$ .00
77. Other Real Estate/Investment Debt	$	77	$ .00
78. Business Value	$	78	$ .00
79. Business Debt	$	79	$ .00
80. Farm Value	$	80	$ .00
81. Farm Debt	$	81	$ .00
Parents			
82. Age of Older Parent		82	
83. Cash, Savings, and Checking	$	83	$ .00
84. Other Real Estate/Investment Value	$	84	$ .00
85. Other Real Estate/Investment Debt	$	85	$ .00
86. Business Value	$	86	$ .00
87. Business Debt	$	87	$ .00
88. Farm Value	$	88	$ .00
89. Farm Debt	$	89	$ .00

Housing Status Codes (Items 91, 93, 95, 97, 99, and 101):
1 - On-Campus 3 - With Parent(s)
2 - Off-Campus 4 - With Relative(s) other than Parent(s)

H. Releases and Signatures

90. First College Name		90	
College City and State			
91. First Housing Status	(BLANK)	91	<--Enter Code From Above
92. Second College Name		92	
College City and State			
93. Second Housing Status	(BLANK)	93	<--Enter Code From Above
94. Third College Name		94	
College City and State			
95. Third Housing Status	(BLANK)	95	<--Enter Code From Above
96. Fourth College Name		96	
College City and State			
97. Fourth Housing Status	(BLANK)	97	<--Enter Code From Above
98. Fifth College Name		98	
College City and State			
99. Fifth Housing Status	(BLANK)	99	<--Enter Code From Above
100. Sixth College Name		100	
College City and State			
101. Sixth Housing Status	(BLANK)	101	<--Enter Code From Above
102. Should Data Be Released To State?	YES	102	☐ Yes ☐ No
103. Register You For Selective Service?	(BLANK)	103	☐ Yes
104. Signed By?	BOTH	104	DO NOT CORRECT
105. Date Completed	JANUARY 25, 1995	105	DO NOT CORRECT
106. Preparer's EIN	(BLANK)	106	☐☐-☐☐☐☐☐☐☐
107. Preparer's Social Security Number	(BLANK)	107	☐☐☐-☐☐-☐☐☐☐
108. Preparer's Signature	(BLANK)	108	

APPLICATION RECEIPT DATE: 03/14/95

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MA 01

IF YOU MADE NO CHANGES

- complete the STUDENT'S USE BOX on Part 1 of your SAR
- submit ALL parts of your SAR to the school you plan to attend. Do NOT send your SAR to either address given on this page.

IF YOU NEED ANOTHER COPY OF YOUR SAR

- write to Federal Student Aid Programs
  P.O. Box 4038
  Iowa City, IA 52243
- include your name, social security number and signature.

IF YOU MADE CHANGES

- read and sign the Certification statement to the right
- send BOTH pages of Part 2 to
  Federal Student Aid Programs
  P.O. Box 4037
  Iowa City, IA 52243

CERTIFICATION

All of the information on this SAR is true and complete to the best of my knowledge. If I am asked, I agree to give proof that my information is correct. This proof might include a copy of the 1994 U.S. Income Tax Form filed by me or my family. I understand that if I purposely give false or misleading information on this SAR, I may be subject to a $10,000 fine, a prison sentence, or both.

Everyone whose information is given on this form should sign below. The student (and at least one parent, if parental information is given), must sign below or this form will be returned unprocessed.

[1] STUDENT ______________________________ Date ____________

[2] STUDENT'S SPOUSE ______________________________ Date ____________

[3] FATHER/STEPFATHER ______________________________ Date ____________

[4] MOTHER/STEPMOTHER ______________________________ Date ____________

HELPFUL HINTS:

Read all the comments on Part 1 of your SAR. They will help you correct any information we had questions about when we processed your financial aid application. Review ALL the items on Part 2 of your SAR to make sure that the information is correct. Follow the instructions at the top of Part 2 and that appear in the comments on Part 1 of your SAR.

If you don't know how to answer a question, want further assistance correcting your SAR, or do not understand what to do, refer to an application instruction booklet. Otherwise, contact the financial aid office at the school you plan to attend.

If you need to make corrections or respond to boldface items, contact your financial aid office to determine if your school can submit these corrections electronically. Electronic processing is faster.

Do not send any documentation (including tax forms) to the address next to the certification. This documentation will be discarded. If your financial aid administrator (FAA) requests documentation, send it with your SAR to the financial aid office.

1994 Other Untaxed Income and Benefits (questions 62 and 73): you should include any untaxed income and benefits not reported elsewhere on the application. Some examples are Earned Income Credit, deductible IRA and/or Keogh payments, and tax-deferred pension and savings plans. (See application instruction booklet Worksheet #2, page 11.)

1994 Exclusions from Worksheet #3 (questions 63 and 74): you should include portions of grants and scholarships reported on your tax return; earnings from Federal Work-Study or need-based work programs; National and Community Service Act living allowances; and child support PAID. (See application instruction booklet, Worksheet #3, page 12.)

CODES FOR QUESTIONS 24-28. ENROLLMENT STATUS

1 - Full time
2 - 3/4 time
3 - 1/2 time
4 - Less than 1/2 time
5 - Not enrolled

CODES FOR QUESTION 32. GRADE LEVEL IN COLLEGE IN 1995-96

01 - 1st year/never attended college
02 - 1st year/attended college before
03 - 2nd year/sophomore
04 - 3rd year/junior
05 - 4th year/senior
06 - 5th year/other undergraduate
07 - 1st year graduate/professional
08 - 2nd year graduate/professional
09 - 3rd year graduate/professional
10 - Beyond 3rd year graduate/professional

FOR YOUR INFORMATION:

The time required to complete this information collection is estimated to vary from 30 to 45 minutes per response, with an average of 45 minutes, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, DC 20202-4651. If you have any comments or concerns regarding the status of your individual submission of this form, write directly to: SAR Comments, U.S. Department of Education, Room # 4651 ROB-3, 600 Independence Avenue, S.W., Washington, DC 20202.

WARNING: As more fully set forth in Section 5301 of the Anti-Drug Abuse Act of 1988, if you are convicted of drug distribution or possession, your eligibility for Title IV student financial aid is subject to suspension or termination.

If you have special circumstances (such as natural disaster, partial or complete loss of employment, death in the family, or loss of untaxed income) that might affect the amount you/your family are expected to contribute toward your education, see your FAA.

If you are borrowing under the FFEL or the William D. Ford Federal Direct Loan Program, contact your financial aid administrator to find out about limits on the amount you may borrow each academic year.

School Use Only EFC: 00000*C SEC.EFC: 01

FAA Recalculated EFC ☐☐☐☐

FAA EFC Adjustment ☐☐☐☐

Adjusted EFC Calculation Requested ☐

D/O 1☐ 2☐

Title IV Institution No. ☐☐☐☐☐☐

FAA Signature' ______________________________

1995 - 96 Student Aid Report

Part 3 - Federal Pell Grant Payment Voucher

FFFFF

- FOR SCHOOL USE ONLY -

Do not staple, tear, or paper clip this form

FORM APPROVED
OMB NO. 1840-0132
Expiration Date 12-31-96

PAUL MAGELLAN
512 NEW WORLD WAY
SAR VA 22309

SSN
DOB 03-31-75
EFC 0000*C

TRANSACTION 01 PIN 5493
PROCESSED 03-17-95
SERIAL D5EDY000013

COMMENTS REGARDING PAYMENT DATA:

FOR SCHOOL USE ONLY - SCHOOL CERTIFICATION

I certify that payments to this student are correct according to the Federal Pell Grant Program regulations and statutes, instructions in the Federal Student Financial Aid Handbook, and the 1995-96 Payment Schedule.

I further certify that the student is making satisfactory academic progress in an eligible program, has signed a Statement of Educational Purpose, a Certification Statement on Refunds and Default, a Statement of Registration Status (if required), and has provided any documents for verification (if required).

I believe that the data supplied by the student, from which the Student Aid Report was produced, are accurate. I understand that my school is liable for incorrect payments made to the student, and that if I knowingly make false or misleading statements on this report, I am subject to a fine of up to $10,000, imprisonment for up to 5 years, or both, under provisions of the United States Criminal Code (including 18 U.S.C. 1001).

SIGNED BY____________________ DATE __________

SCHOOL NAME____________________________

CITY____________________ STATE __________

Part 3-Payment Voucher (to be completed by the school)

1 PELL INSTITUTION ID OF CAMPUS ATTENDED

☐ Yes

2 ACADEMIC CALENDAR

- ☐ 1 Credit hour (nonstandard term)
- ☐ 2 Quarter
- ☐ 3 Semester
- ☐ 4 Trimester
- ☐ 5 Clock hour
- ☐ 6 Credit hour without terms

3 COST OF ATTENDANCE (Dollars Only)

A. Standard OR B. Individual

- ☐ A
- ☐ B
- ☐ C
- ☐ D
- ☐ E
- ☐ F
- ☐ G
- ☐ H
- ☐ I
- ☐ J

4 VERIFICATION STATUS

- ☐ **N** Not selected
- ☐ **A** Accurate
- ☐ **W** Without documentation
- ☐ **T** Tolerance
- ☐ **C** Calculated
- ☐ **R** Reprocessed
- ☐ **S** Selected, not verified

5

TERM PROGRAMS ONLY	CLOCK HOUR PROGRAMS OR CREDIT HOUR PROGRAMS WITHOUT TERMS		TERM AND NONTERM PROGRAMS NOT USING FORMULA 1		ALL PROGRAMS
A. Enrollment Status	B. Hours/Credits expected to complete - Paid from this award year	C. Hours/Credits in program's academic year definition	D. Weeks enrolled in this award year	E. Weeks in program's academic year	F. PAYMENT METHODOLOGY
☐ 1 Full-time ☐ 2 Half-time ☐ 3 Three-quarter time ☐ 4 Other ☐ 5 Less than half-time					☐ 1 Formula 1 ☐ 2 Formula 2 ☐ 3 Formula 3 ☐ 4 Formula 4 ☐ 5 Formula 5 ☐ 6 Other

6 AMOUNT PAID TO DATE

7 REMAINING AMOUNT TO BE PAID

☐ **M** More Than a Full Academic Year

8 MONTHS IN WHICH REMAINING PAYMENTS WILL BE MADE

Number

- ☐ Jul
- ☐ Aug
- ☐ Sep
- ☐ Oct
- ☐ Nov
- ☐ Dec
- ☐ Jan
- ☐ Feb
- ☐ Mar
- ☐ Apr
- ☐ May
- ☐ Jun

9 DATE ENROLLED THIS AWARD YEAR

- ☐ Jul
- ☐ Aug
- ☐ Sep
- ☐ Oct
- ☐ Nov
- ☐ Dec
- ☐ Jan
- ☐ Feb
- ☐ Mar
- ☐ Apr
- ☐ May
- ☐ Jun

☐ 1995
☐ 1996

10 SECONDARY EFC USED

- ☐ 6 Secondary
- ☐ 1 Original

11 INCARCERATED

☐ **Y** Yes ☐ **N** No

If Yes, state where the student's correctional facility is located

PAUL MAGELLAN
512 NEW WORLD WAY
SAR VA 22309

MA 01 0000*C

MAKE NO MARKS IN THIS BOX

MA1301010000 2

Session 16 - Verification, Updating, and Corrections

Main Objective: You will be able to discuss the verification process and complete verification for a sample student.

VERIFICATION AND TITLE IV PROGRAMS

(*The Verification Guide, 1995-96*, Chapter 1)

Verification is the process of checking the accuracy of information supplied by students on their applications for federal student aid (FAFSAs). Schools perform the verification process.

How Applications are Selected for Verification

(*The Verification Guide, 1995-96*, pages 3 to 5)

There are two ways that applications are selected for verification:

- by the Central Processing System (CPS) *or*
- at the school's discretion.

Verification Exclusions

(*The Verification Guide, 1995-96*, Chapter 1, pages 5 to 9)

Schools are required to verify 30% of all applications selected for verification, with the following exceptions:

- Certain applications may be exempt from some or all of the verification requirements (for example, students who are in a local prison need not have information verified).
- Schools that participate in ED's Institutional Quality Assurance Program (IQAP) are exempt from verification requirements.

Verification vs. Conflicting Information
(*The Verification Guide, 1995-96,* pages 2 and 3)

Schools must resolve any applicant data that is known to be in conflict or be inconsistent with school records *before* any federal student aid is disbursed. The requirement to resolve conflicting data is separate and distinct from the verification process.

Title IV Programs Subject to Verification
(*The Verification Guide, 1995-96,* pages 1 and 2)

If students will receive Federal Pell Grants, campus-based awards, subsidized Federal Stafford Loans, or Federal Direct Stafford Loans and their applications are selected for verification, their eligibility to receive aid from these programs is subject to restrictions until verification is completed.

VERIFICATION ITEMS AND ACCEPTABLE DOCUMENTATION
(*The Verification Guide, 1995-96,* Chapters 2 and 4)

Required Verification Items
(*The Verification Guide, 1995-96,* pages 11 and 12)

The five required verification items are:

- Household Size,
- Number Enrolled in Postsecondary Education,
- Adjusted Gross Income,
- U.S. Income Tax Paid, and
- Certain Untaxed Income and Benefits.

Acceptable Documentation
(*The Verification Guide, 1995-96,* pages 12-31)

Copies of the verification worksheets are in *The Verification Guide, 1995-96,* pages 14-17. See chart of acceptable documentation on page 3.

Acceptable Documentation for Required Verification Items

Required Items	Types of Documentation		
1. Household Size	Verification Worksheet	**OR**	Signed Statement
2. Number in Postsecondary Education	Verification Worksheet	**OR**	Signed Statement
3. Adjusted Gross Income (AGI)	Tax Return(s)	**OR**	IRS listing of tax account information or Form W-2 and/or Signed Statement
4. U. S. Income Tax Paid	Tax Return(s)	**OR**	IRS listing of tax account information or Form W-2 and/or Signed Statement
5. Untaxed Income and Benefits	Tax Return(s)	**OR**	Official Agency Documentation and/or Signed Statement

Discretionary Verification Items

(*The Verification Guide, 1995-96,* Chapter 4)

The school may choose to verify any other information on the aid application, as long as it is done in accordance with consistently applied school policies and procedures.

HANDLING AWARDS WHILE VERIFICATION IS IN PROGRESS

(*The Verification Guide, 1995-96,* Chapter 3)

The school has the authority to withhold disbursement or delivery of all of a student's federal student aid funds until verification is complete.

Alternatively, the school may choose to disburse and deliver a student's aid before verification is complete.

REPORTING STATUS AND COMPLETING VERIFICATION

(*The Verification Guide, 1995-96,* Chapter 3)

Verification Status Codes

(*The Verification Guide, 1995-96,* pages 38 and 39)

Schools must report verification status for all Pell Grant recipients, including those not selected for verification. In the paper reporting method, this is done on Part 3 of the SAR, the Payment Voucher. There is a sample Payment Voucher in Session 15, page 14 and 15.

Completing Verification

(*The Verification Guide, 1995-96,* pages 33 to 37)

For Pell recipients, final, valid output documents must be submitted to the school no later than 60 days after the students' last day of enrollment *or* around August 30* after the end of the award year, whichever is earlier. For students to qualify for this "60-day extension," they must have submitted initial, valid output documents by June 30 *or* their last day of enrollment, whichever is earlier. In addition, they must have been selected for verification but have been unable to complete it before finishing their classes.

*The exact date will be published each year in the *Federal Register*.

UPDATING

(*The Verification Guide, 1995-96,* pages 41 to 43)

Updating involves three (and only three) specific data items that might have changed since the time of application:

- o Dependency Status,
- o Household Size, *and*
- o Number Enrolled in Postsecondary Education.

Exception: None of these three items can be updated if the change is due to a change in the student's marital status. A previously certified FFEL or Direct Loan application also cannot be updated.

CORRECTIONS

(*The Verification Guide, 1995-96,* pages 45 to 48)

In general, if information on the original application was incorrect, it must be corrected. The procedures for corrections apply to all federal student aid applicants, not just those whose applications are selected for verification.

If the corrections do not exceed ED's tolerance, you are not required to take any action about corrected data.

The $400 Tolerance Option

When there are no errors in non-dollar items used to calculate the EFC and the net difference between the corrected sum of Adjusted Gross Income (AGI) *plus* untaxed income *minus* U.S. taxes paid and the uncorrected sum does not exceed $400, then no correction is needed.

For example:

Reported AGI:	$ 8,000	Verified AGI:	$ 8,300
Reported Untaxed Income:	+$ 3,000	Verified Untaxed Income:	+ $ 3,000
Reported Total Income:	$11,000	**Verified Total Income:**	$11,300
Reported Taxes:	-$ 1,000	Verified Taxes:	-$ 900
Reported Difference:	$10,000	**Verified Difference:**	$10,400

Net Difference: $10,400 - $10,000 = $400
[Within Tolerance: No Correction Needed]

Now compute the net difference for Paul's errors.

Reported AGI:		Verified AGI:	
Reported Untaxed Income:		Verified Untaxed Income:	
Reported Total Income:		**Verified Total Income:**	
Reported Taxes:		Verified Taxes:	
Reported Difference:		**Verified Difference:**	

Net Difference: $ ____________ - $ ____________ = $ ____________

Processing Corrections *and* Updates of Household Size and Number in Postsecondary Education for Pell Recipients: Pell recipients may or may not have to resubmit changed data back to the CPS, depending on specified circumstances. See *The Verification Guide, 1995-96*.

Processing Corrections and Updates of Household Size and Number in Postsecondary Education for Campus-Based, Federal Stafford, and Federal Direct Loan Recipients: There is no requirement to resubmit changed data back to the CPS—the school may recalculate the EFC. See *The Verification Guide, 1995-96.*

A chart summarizing the processes for changes in application information is provided below, and a chart outlining signature requirements on the next page.

Processes for Changes in Application Information

Process	Why Used	Document	Report to ED
Updating	To provide current information about:		If Federal Pell Grant award is affected
	• Dependency Status*	SAR or Electronic Corrections	
	• Household Size*	SAR or Electronic Corrections	
	• Number in Postsecondary Education*	SAR or Electronic Corrections	
Corrections	To correct errors in original application or SAR	SAR or Electronic Corrections	For Federal Pell Grant, if data elements used in EFC calculation are affected
EFC Recalculation	To recompute EFC	SAR or Electronic Corrections	If Federal Pell Grant award is affected
Professional Judgment Adjustments**	To adjust applicant data elements and report resulting school-recalculated EFC	SAR or Electronic Corrections	If Federal Pell Grant award is affected

* May not be updated for a previously certified loan application for the FFEL or Direct Loan Program or for a change in a student's marital status.

** Professional judgment adjustments will be discussed in Session 21.

Signature Requirements for the 1995-96 Delivery System

	Application Information (Applications and Corrections)						Eligibility Output Documents			Other Certifications		
Signer	FAFSA or Renewal FAFSA[1]	Echo Document for Electronic FAFSA[3] or Electronic Renewal FAFSA	Part 2 of SAR[4]	Verification Worksheet	Verification Documentation under §668.57	Other Documentation	SAR All Title IV	ISIR All Title IV	Nonfederal FAFSA Processor Output with CPS EFC[5]	Educational Purpose	Default/ Repayment	Selective Service Registration
Student	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	Yes	Yes	Yes[6]
One parent of dependent student	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No	No	No	No
Spouse	No	No	No	No	No	No	No	No	No	No	No	No
FAA[2]	Yes	Yes	Yes	No	No	No	No	No	No	No	No	No

---

[1] Paper FAFSA or Renewal FAFSA submitted to a FAFSA processor or to an institution for submission to the CPS through EDE.

[2] Only if dependency override (application or Part of SAR) and/or professional judgment (Part 2 of SAR); for echo document, requirement is met by setting the electronic signature flag on EDE.

[3] Only if paper FAFSA or paper Renewal FAFSA are *not* used as the input document.

[4] Only if used to send corrections to the processor by mail or if used as a source document for electronic corrections.

[5] All Title IV funds, except Federal Pell Grants.

[6] If required, see Chapter 2, section 1 of *The 1995-96 Federal Student Financial Aid Handbook*.

U.S. Department of Education

1995-96 Verification Worksheet

Federal Student Aid Programs

FORM APPROVED
OMB NO 1840-0132
EXP DATE 12/31/96

DEPENDENT STUDENT

Your application was selected for review in a process called "Verification." In this process, your school will be comparing information from your application with signed copies of your (and your parents') 1994 tax forms, or with W-2 forms or other financial documents. The law says we have the right to ask you for this information before awarding Federal aid. If there are differences between your application information and your financial documents, you may need to send in corrections on your Student Aid Report (SAR) and have a new SAR processed.

Try to complete verification as soon as possible, so that your financial aid won't be delayed. Your financial aid administrator will help you.

What you should do

1. Collect your and your parents' financial documents (signed income tax forms, W-2 forms, etc.).
2. Talk to your financial aid administrator if you have questions about completing this worksheet.
3. Fill in and sign the worksheet—you and your parents.
4. Take the completed worksheet, tax forms, and any other documents your school needs to your financial aid administrator.
5. Your financial aid administrator will compare information on the documents. You may need to make corrections on your SAR and send it back to the application processor.

Your school must review the requested information, under the financial aid program rules (CFR Title 34, Part 668).

A. Student Information

Last name: Magellan First name: Paul M.I.:
Social security number: 000-00-0000
Address (include apt. no.): 512 New World Way
Date of birth: 3-31-75
City: Sar State: VA ZIP code: 22309
Phone number (include area code): (703) 111-0000

B. Family Information

List the people that your parents will support between July 1, 1995 and June 30, 1996. Include:

- yourself
- your parents
- your parents' dependent children (if your parents provide more than half support, or if they would be required to give parental information when applying for Federal student aid.)

Include other people as part of your family only if:

- they lived with your parents and got more than half their support from your parents at the time you completed your student aid application

AND

- they will continue to get more than half their support from July 1, 1995 through June 30, 1996.

Write the names of all family members. Also write in the name of the college for any family member who will be attending college at least half-time between July 1, 1995 and June 30, 1996, and will be enrolled in a degree or certificate program. If you need more space, attach a separate page.

Full Name	Age	Relationship	College
Janet Jones	*51*	*Mother*	*Central University*
Paul Magellan	20	self	Birmington College
John Magellan	55	father	
Elizabeth Magellan	45	mother	Bayside Central College
Sara Magellan	15	sister	
Donna Magellan	12	sister	

Public reporting burden for this collection of information is estimated to be 12 minutes per response, including time to review instructions, search existing data sources, gather and maintain the data needed, and complete and review the information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to U.S. Department of Education, Information Management and Compliance Division, Washington, D.C. 20202-4651; and to Office of Management and Budget, Paperwork Reduction Project (1840-0132), Washington, D.C. 20503.

C. Student's Tax Forms and Income Information D

1. For all tax filers and non-tax filers (includes the 1994 IRS Form 1040, 1040A, 1040EZ, a tax return from Puerto Rico or a foreign income tax return). If you did not keep a copy of the tax return, request one from the Internal Revenue Service or from your tax preparer.

☐ Check and attach signed tax return.
☐ Check and complete: signed tax return will be mailed to the school by ____________________(date).
☒ Check here if you will not file and are not required to file a 1994 U.S. Income Tax Return.

2. Income earned from work: Use the W-2 or other earnings statements.

Employers	Amount
SAP	$750

3. Amounts received for child support and other untaxed income.

Sources	Amount

D. Parents' Tax Forms and Income Information

1. For all tax filers and non-tax filers (includes the 1994 IRS Form 1040, 1040A, 1040EZ, a tax return from Puerto Rico or a foreign income tax return). If your parent(s) did not keep a copy of the tax return, request one from the Internal Revenue Service or from the tax preparer.

☐ Check and attach signed tax return.
☐ Check and complete: signed tax return will be mailed to the school by ____________________(date).
☐ Check here if your parent(s) will not file and are not required to file a 1994 U.S. Income Tax Return.

2. Income earned from work: Use the W-2 or other earnings statements.

Employers	Amount

3. Amounts received for child support and other untaxed income.

Sources	Amount
Child support	$2,000

E. Sign this Worksheet

By signing this worksheet, we certify that all the information reported to qualify for Federal student aid is complete and correct. (At least one parent must sign.)

WARNING: If you purposely give false or misleading information on this worksheet, you may be fined, be sentenced to jail, or both.

Paul Magellan 2/9/95
Student Date

Fred Magellan 2/9/95
Father/Stepfather Date

Elizabeth Magellan 2/9/95
Mother/Stepmother Date

Do not mail this worksheet to your application processor. Take it to your Financial Aid Administrator. Don't forget your tax forms.

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1995-96 Student Aid Report
Federal Student Aid Programs
Part 2 - Information Review Form

OMB No 1840-0132
Form Approved
Exp 12-31-96

Processed: 03-17-95
EFC: 00000•C

- Pay special attention to any items in **BOLDFACE TYPE**; they may need to be corrected.
- To correct an item, print the correct answer in the "The correct answer is" column.
- To delete an answer in the "You Told Us" column, draw a line through it.
- Use the code information on the last page of Part 2 if you need to correct items 24-28 and/or 32.
- If you make corrections, send **BOTH pages of Part 2** to the address on the last page of Part 2. **Do not attach tax or any other forms.**

MA-01 PIN: 5493

We asked for	You told us		The correct answer is

A. You (the student)

1. Last Name	MAGELLAN	1	
2. First Name	PAUL	2	
3. Middle Initial		3	
4. Permanent Street Address	512 NEW WORLD WAY	4	
5. City	SAR	5	
6. State Abbreviation	VA	6	
7. ZIP Code	22309	7	
8. Social Security Number		8	
9. Date of Birth	MARCH 31, 1975	9	- - MM-DD-YY
10. Permanent Home Phone Number	(703) 111-0000	10	- -
11. State of Legal Residence	VA	11	
12. Date You Became a Legal Resident	MARCH 31, 1975	12	- - MM-DD-YY
13. Driver's License State Abbreviation	VA	13	
14. Driver's License Number	00000000	14	
15. Citizenship Status	U.S. CITIZEN	15	
16. Alien Registration Number		16	A
17. Marital Status	UNMARRIED	17	
18. Date of Marital Status	(BLANK)	18	- MM-YY
19. First Bachelor's Degree by 7-1-95?	NO	19	☐ Yes ☐ No

B. Education Background

20. High School Graduation Date	JUNE 1995	20	- MM-YY
21. GED Diploma Date	(BLANK)	21	- MM-YY
22. Father's Educational Level	HIGH SCHOOL	22	
23. Mother's Educational Level	HIGH SCHOOL	23	

C. Your Plans

24. Enrollment Status Summer Term 1995	NOT ENROLLED	24	<--Enter Code
25. Enrollment Status Fall Sem/Qtr 1995	FULL TIME	25	<--Enter Code
26. Enrollment Status Winter Qtr 1995-96	NOT ENROLLED	26	<--Enter Code
27. Enrollment Status Spring Sem/Qtr 1996	FULL TIME	27	<--Enter Code
28. Enrollment Status Summer Term 1996	NOT ENROLLED	28	<--Enter Code
29. Course of Study	BUSINESS	29	DO NOT CORRECT
30. Type of Degree/Certificate	ASSOCIATE	30	DO NOT CORRECT
31. Date Expect to Receive Degree	MAY 30, 1999	31	- - MM-DD-YY
32. Grade Level in College in 1995-96	1ST NEVER ATTENDED	32	<--Enter Code
33. Interested in Employment?	YES	33	☐ Yes ☐ No
34. Interested in Student Loans?	YES	34	☐ Yes ☐ No
35. Interested in Parent Loans?	(BLANK)	35	☐ Yes ☐ No
36. Attending Same College in 1995-96?	(BLANK)	36	☐ Yes ☐ No
37. Will Pay Dependent Care For How Many?	00	37	
38. Monthly VA Benefits Amount	$ 0	38	$ 00
39. How Many Months Receive VA Benefits?	00	39	

95EDY000013 01151200001 MA-01

We asked for	You told us	The correct answer is

D. Student Status

40 Born Before 1-1-72?	NO	40 ☐ Yes ☐ No
41 Veteran of U.S. Armed Forces?	NO	41 ☐ Yes ☐ No
42 Enrolled in Graduate Program 1995-96?	NO	42 ☐ Yes ☐ No
43. Are You Married?	NO	43 ☐ Yes ☐ No
44 Orphan or Ward of Court?	NO	44 ☐ Yes ☐ No
45 Have Dependents Other Than Spouse?	NO	45 ☐ Yes ☐ No

E. Household Information
Student (and Spouse)

46. Number of Family Members in 1995-96	DO NOT CORRECT	46
47. Number in College in 1995-96	DO NOT CORRECT	47

Parents

48. Marital Status	MARRIED	48
49. State of Legal Residence	VA	49
50. Date Parent(s) Became Legal Residents	FEBRUARY 16, 1970	50 - - MM-DD-Y
51. Number of Family Members in 1995-96	05	51
52. Number in College in 1995-96	1	52

Codes for Type of 1994 Tax Form Used (Items 53 and 64)
1 - Completed 1994 IRS 1040A or 1040EZ
2 - Completed 1994 IRS 1040
3 - Estimated 1994 IRS 1040A or 1040EZ
4 - Estimated 1994 IRS 1040
5 - Will Not File a 1994 U.S. Income Tax Return

F. 1994 Income, Earnings, and Benefits
Student (and Spouse)

53. Type of 1994 Tax Form Used	NOT FILED	53 <--Enter Code From Above
54. Exemptions Claimed		54
55. Adjusted Gross Income From IRS Form	$	55 $ .00
56. U.S. Income Tax Paid	$	56 $ .00
57. Student's Income Earned From Work	$ 750	57 $ .00
58. Spouse's Income Earned From Work	$ 0	58 $ .00
59. Annual Social Security Benefits	$ 0	59 $ .00
60. Annual AFDC/ADC	$ 0	60 $ .00
61. Annual Child Support Received	$ 0	61 $ .00
62. Other Untaxed Income	$ 0	62 $ .00
63. 1994 Exclusions, Worksheet #3	$ 0	63 $ .00

Parents

64. Type of 1994 Tax Form Used	ESTIMATED 1040A/EZ	64 <--Enter Code From Above
65. Exemptions Claimed	05	65
66. Adjusted Gross Income From IRS Form	$ 11,750	66 $ .00
67. U.S. Income Tax Paid	$ 0	67 $ .00
68. Father's Income Earned From Work	$ 11,750	68 $ .00
69. Mother's Income Earned From Work	$ 0	69 $ .00
70. Annual Social Security Benefits	$ 5,000	70 $ .00
71. Annual AFDC/ADC	$ 0	71 $ .00
72. Annual Child Support Received	$ 2,000	72 $ .00
73. Other Untaxed Income	$ 0	73 $ .00
74. 1994 Exclusions, Worksheet #3	$ 0	74 $ .00

Part 2 (your Information Review Form) is continued on the following page. Please refer to the instructions on the front of Part 2 when reviewing the rest of your information. If you make corrections, send BOTH pages of Part 2 to the address next to the Certification statement at the end of Part 2.

BEST COPY AVAILABLE

1995-96 Student Aid Report
Federal Student Aid Programs
Part 2 - Information Review Form

OMB No 1840-0132
Form Approved
Exp 12-31-96

Processed: 03-17-95
EFC: 00000•C

CONTINUED

Continue reviewing this form as instructed on the previous page.
Be sure to read the information on the back of this page.

MA-01 PIN: 5493

G. Asset Information

Student (and Spouse) PAUL MAGELLAN

We asked for	You told us		The correct answer is
75. Cash, Savings, and Checking	$	75	$ .00
76. Other Real Estate/Investment Value	$	76	$ .00
77. Other Real Estate/Investment Debt	$	77	$ .00
78. Business Value	$	78	$ .00
79. Business Debt	$	79	$ .00
80. Farm Value	$	80	$ .00
81. Farm Debt	$	81	$ .00

Parents

82. Age of Older Parent		82	
83. Cash, Savings, and Checking	$	83	$ .00
84. Other Real Estate/Investment Value	$	84	$ .00
85. Other Real Estate/Investment Debt	$	85	$ .00
86. Business Value	$	86	$ .00
87. Business Debt	$	87	$ .00
88. Farm Value	$	88	$ .00
89. Farm Debt	$	89	$ .00

Housing Status Codes (Items 91, 93, 95, 97, 99, and 101)
1 - On-Campus 3 - With Parent(s)
2 - Off-Campus 4 - With Relative(s) other than Parent(s)

H. Releases and Signatures

90. First College Name		90	
College City and State			
91. First Housing Status	(BLANK)	91	<--Enter Code From Above
92. Second College Name		92	
College City and State			
93. Second Housing Status	(BLANK)	93	<--Enter Code From Above
94. Third College Name		94	
College City and State			
95. Third Housing Status	(BLANK)	95	<--Enter Code From Above
96. Fourth College Name		96	
College City and State			
97. Fourth Housing Status	(BLANK)	97	<--Enter Code From Above
98 Fifth College Name		98	
College City and State			
99. Fifth Housing Status	(BLANK)	99	<--Enter Code From Above
100. Sixth College Name		100	
College City and State			
101. Sixth Housing Status	(BLANK)	101	<--Enter Code From Above
102. Should Data Be Released To State?	YES	102	☐ Yes ☐ No
103. Register You For Selective Service?	(BLANK)	103	☐ Yes
104. Signed By?	BOTH	104	DO NOT CORRECT
105. Date Completed	JANUARY 25, 1995	105	DO NOT CORRECT
106. Preparer's EIN	(BLANK)	106	-
107. Preparer's Social Security Number	(BLANK)	107	- -
108. Preparer's Signature	(BLANK)	108	

APPLICATION RECEIPT DATE 03/14/95

D5EDY000013 01151200001

MA 01

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IF YOU MADE NO CHANGES

- complete the STUDENT'S USE BOX on Part 1 of your SAR
- submit ALL parts of your SAR to the school you plan to attend. Do NOT send your SAR to either address given on this page.

IF YOU NEED ANOTHER COPY OF YOUR SAR

- write to Federal Student Aid Programs
  P.O. Box 4038
  Iowa City, IA 52243
- include your name, social security number and signature.

IF YOU MADE CHANGES

- read and sign the Certification statement to the right
- send BOTH pages of Part 2 to
  Federal Student Aid Programs
  P.O. Box 4037
  Iowa City, IA 52243

HELPFUL HINTS:

Read all the comments on Part 1 of your SAR. They will help you correct any information we had questions about when we processed your financial aid application. Review ALL the items on Part 2 of your SAR to make sure that the information is correct. Follow the instructions at the top of Part 2 and that appear in the comments on Part 1 of your SAR.

If you don't know how to answer a question, want further assistance correcting your SAR, or do not understand what to do, refer to an application instruction booklet. Otherwise, contact the financial aid office at the school you plan to attend.

If you need to make corrections or respond to boldface items, contact your financial aid office to determine if your school can submit these corrections electronically. Electronic processing is faster.

Do not send any documentation (including tax forms) to the address next to the certification. This documentation will be discarded. If your financial aid administrator (FAA) requests documentation, send it with your SAR to the financial aid office.

1994 Other Untaxed Income and Benefits (questions 62 and 73): you should include any untaxed income and benefits not reported elsewhere on the application. Some examples are Earned Income Credit, deductible IRA and/or Keogh payments, and tax-deferred pension and savings plans. (See application instruction booklet Worksheet #2, page 11.)

1994 Exclusions from Worksheet #3 (questions 63 and 74): you should include portions of grants and scholarships reported on your tax return; earnings from Federal Work-Study or need-based work programs; National and Community Service Act living allowances; and child support PAID. (See application instruction booklet, Worksheet #3, page 12.)

CERTIFICATION

All of the information on this SAR is true and complete to the best of my knowledge. If I am asked, I agree to give proof that my information is correct. This proof might include a copy of the 1994 U.S. Income Tax Form filed by me or my family. I understand that if I purposely give false or misleading information on this SAR, I may be subject to a $10,000 fine, a prison sentence, or both.

Everyone whose information is given on this form should sign below. The student (and at least one parent, if parental information is given), must sign below or this form will be returned unprocessed.

[1] STUDENT ______________________ Date __________

[2] STUDENT'S SPOUSE ______________________ Date __________

[3] FATHER/STEPFATHER ______________________ Date __________

[4] MOTHER/STEPMOTHER ______________________ Date __________

CODES FOR QUESTIONS 24-28. ENROLLMENT STATUS
1 - Full time
2 - 3/4 time
3 - 1/2 time
4 - Less than 1/2 time
5 - Not enrolled

CODES FOR QUESTION 32. GRADE LEVEL IN COLLEGE IN 1995-96
01 - 1st year/never attended college
02 - 1st year/attended college before
03 - 2nd year/sophomore
04 - 3rd year/junior
05 - 4th year/senior
06 - 5th year/other undergraduate
07 - 1st year graduate/professional
08 - 2nd year graduate/professional
09 - 3rd year graduate/professional
10 - Beyond 3rd year graduate/professional

FOR YOUR INFORMATION:

The time required to complete this information collection is estimated to vary from 30 to 45 minutes per response, with an average of 45 minutes, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, DC 20202-4651. If you have any comments or concerns regarding the status of your individual submission of this form, write directly to: SAR Comments, U.S. Department of Education, Room # 4651 ROB-3, 600 Independence Avenue, S.W., Washington, DC 20202.

WARNING: As more fully set forth in Section 5301 of the Anti-Drug Abuse Act of 1988, if you are convicted of drug distribution or possession, your eligibility for Title IV student financial aid is subject to suspension or termination.

If you have special circumstances (such as natural disaster, partial or complete loss of employment, death in the family, or loss of untaxed income) that might affect the amount you/your family are expected to contribute toward your education, see your FAA.

If you are borrowing under the FFEL or the William D. Ford Federal Direct Loan Program, contact your financial aid administrator to find out about limits on the amount you may borrow each academic year.

School Use Only EFC: 00000*C SEC.EFC: 01

FAA Recalculated EFC ☐☐☐☐ | FAA EFC Adjustment ☐☐☐☐ Adjusted EFC Calculation Requested ☐ | D/O 1☐ 2☐

Title IV Institution No. ☐☐☐☐☐☐ FAA Signature[1] ______________________

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Form
1040A

Department of the Treasury—Internal Revenue Service

U.S. Individual Income Tax Return (0) 1994

IRS Use Only—Do not write or staple in this space

OMB No 1545-0085

Label

(See page 16.)

Use the IRS label. Otherwise, please print or type.

LABEL HERE

Your first name and initial: FRED
Last name: MAGELLAN
Your social security number: 999 : 99 : 9999

If a joint return, spouse's first name and initial: ELIZABETH
Last name: MAGELLAN
Spouse's social security number: 999 : 99 : 9999

Home address (number and street). If you have a P.O. box, see page 17.: 512 NEW WORLD WAY
Apt. no.

City, town or post office, state, and ZIP code. If you have a foreign address, see page 17.: SAR, VA 22309

For Privacy Act and Paperwork Reduction Act Notice, see page 4.

Presidential Election Campaign Fund (See page 17.)

	Yes	No
Do you want $3 to go to this fund?		x
If a joint return, does your spouse want $3 to go to this fund?		x

Note: *Checking "Yes" will not change your tax or reduce your refund.*

Check the box for your filing status

(See page 17.)

Check only one box.

1 ☐ Single
2 ☒ Married filing joint return (even if only one had income)
3 ☐ Married filing separate return. Enter spouse's social security number above and full name here. ▶
4 ☐ Head of household (with qualifying person). (See page 18.) If the qualifying person is a child but not your dependent, enter this child's name here. ▶
5 ☐ Qualifying widow(er) with dependent child (year spouse died ▶ 19). (See page 19.)

Figure your exemptions

(See page 20.)

6a ☐ **Yourself.** If your parent (or someone else) can claim you as a dependent on his or her tax return, **do not** check box 6a. But be sure to check the box on line 18b on page 2.
b ☐ **Spouse**

No. of boxes checked on 6a and 6b: 2

c **Dependents:**

If more than seven dependents, see page 23

(1) Name (first, initial, and last name)	(2) Check if under age 1	(3) If age 1 or older, dependent's social security number	(4) Dependent's relationship to you	(5) No. of months lived in your home in 1994
PAUL MAGELLAN			SON	
SARA MAGELLAN			DAUGHTER	
DONNA MAGELLAN			DAUGHTER	

No. of your children on 6c who:
- lived with you: 3
- didn't live with you due to divorce or separation (see page 23)

Dependents on 6c not entered above

d If your child didn't live with you but is claimed as your dependent under a pre-1985 agreement, check here ▶ ☐
e Total number of exemptions claimed.

Add numbers entered on lines above: 5

Figure your total income

Attach Copy B of your Forms W-2 and 1099-R here.

If you didn't get a W-2, see page 25.

Enclose, but do not attach, any payment with your return.

7	Wages, salaries, tips, etc. This should be shown in box 1 of your W-2 form(s). Attach Form(s) W-2.	7	11,750	00
8a	**Taxable** interest income (see page 25). If over $400, attach Schedule 1.	8a		
b	**Tax-exempt** interest. DO NOT include on line 8a. 8b			
9	Dividends. If over $400, attach Schedule 1.	9		
10a	Total IRA distributions. 10a — 10b Taxable amount (see page 26).	10b		
11a	Total pensions and annuities. 11a — 11b Taxable amount (see page 27).	11b		
12	Unemployment compensation (see page 30).	12		
13a	Social security benefits. 13a — 13b Taxable amount (see page 31).	13b		
14	Add lines 7 through 13b (far right column). This is your **total income.** ▶	14	11,750	00

Figure your adjusted gross income

15a	Your IRA deduction (see page 34). 15a			
b	Spouse's IRA deduction (see page 34). 15b			
c	Add lines 15a and 15b. These are your **total adjustments.**	15c		
16	Subtract line 15c from line 14. This is your **adjusted gross income.** If less than $25,296 and a child lived with you (less than $9,000 if a child didn't live with you), see "Earned income credit" on page 44. ▶	16	11,750	00

Cat. No. 11327A

1994 Form 1040A page 1

Figure your standard deduction, exemption amount, and taxable income

17	Enter the amount from line 16.		17	11,750	00
18a	Check if: ☐ You were 65 or older ☐ Blind ☐ Spouse was 65 or older ☐ Blind Enter number of boxes checked ▶	18a ☐			
b	If your parent (or someone else) can claim you as a dependent, check here . . . ▶	18b ☐			
c	If you are married filing separately and your spouse files Form 1040 and itemizes deductions, see page 38 and check here. ▶	18c ☐			
19	Enter the **standard deduction** shown below for your filing status. **But if you checked any box on line 18a or b,** go to page 38 to find your standard deduction. **If you checked box 18c,** enter -0-. • Single—$3,800 • Married filing jointly or Qualifying widow(er)—$6,350 • Head of household—$5,600 • Married filing separately—$3,175		19	6,350	00
20	Subtract line 19 from line 17. If line 19 is more than line 17, enter -0-.		20	5,400	00
21	Multiply $2,450 by the total number of exemptions claimed on line 6e.		21	12,250	00
22	Subtract line 21 from line 20. If line 21 is more than line 20, enter -0-. This is your **taxable income.** ▶		22	0	00

Figure your tax, credits, and payments

If you want the IRS to figure your tax, see the instructions for line 22 on page 39.

23	Find the tax on the amount on line 22. Check if from: ☐ Tax Table (pages 62–67) or ☐ Form 8615 (see page 40).			23	0	00
24a	Credit for child and dependent care expenses. Attach Schedule 2.	24a				
b	Credit for the elderly or the disabled. Attach Schedule 3.	24b				
c	Add lines 24a and 24b. These are your **total credits.**			24c	0	00
25	Subtract line 24c from line 23. If line 24c is more than line 23, enter -0-.			25	0	00
26	Advance earned income credit payments from Form W-2.			26	0	00
27	Add lines 25 and 26. This is your **total tax.** ▶			27	0	00
28a	Total Federal income tax withheld. If any tax is from Form(s) 1099, check here. ▶ ☐	28a	1200 00			
b	1994 estimated tax payments and amount applied from 1993 return.	28b				
c	**Earned income credit.** If required, attach Schedule EIC (see page 44). Nontaxable earned income: amount ▶ and type ▶	28c	600 00			
d	Add lines 28a, 28b, and 28c (don't include nontaxable earned income). These are your **total payments.** ▶			28d	1,800	00

Figure your refund or amount you owe

29	If line 28d is more than line 27, subtract line 27 from line 28d. This is the amount you **overpaid.**			29	1,800	00
30	Amount of line 29 you want **refunded to you.**			30	1,800	00
31	Amount of line 29 you want **applied to your 1995 estimated tax.**	31				
32	If line 27 is more than line 28d, subtract line 28d from line 27. This is the **amount you owe.** For details on how to pay, including what to write on your payment, see page 52..			32		
33	Estimated tax penalty (see page 52). Also, include on line 32.	33				

Sign your return

Keep a copy of this return for your records.

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and accurately list all amounts and sources of income I received during the tax year. Declaration of preparer (other than the taxpayer) is based on all information of which the preparer has any knowledge

▶ Your signature Fred Magellan	Date 4/1/95	Your occupation Construction Worker
▶ Spouse's signature. If joint return, BOTH must sign. Elizabeth Magellan	Date 4/1/95	Spouse's occupation Student

Paid preparer's use only

Preparer's signature ▶	Date	Check if self-employed ☐	Preparer's social security no.
Firm's name (or yours if self-employed) and address ▶		E.I. No.	
		ZIP code	

U.S. Government Printing Office: 1994 — 375-221 Printed on recycled paper

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Session 17 - Calculating Cost of Attendance

Main Objective: You will be able to identify cost of attendance components for Title IV programs and determine costs of attendance.

TITLE IV COST OF ATTENDANCE (COA) COMPONENTS

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 2, Section 2, pages 2-43 to 2-46)

Description of COA Components

See *The 1995-96 Federal Student Financial Aid Handbook* Chapter 2, Section 2, page 2-44 for an introduction to COA concepts and a list of the eight statutory components of COA.

COA Components for Specific Student Groups

There are exceptions to the statutory components of COA for specific groups of students, such as for less-than-half-time students. The chart on page 3 outlines these exceptions.

Professional Judgment

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 2, Section 2, page 2-46)

COA FOR SAMPLE STUDENTS

Case 1: Amelia

Amelia, a disabled student, enrolls full time at Glover University. Glover has an academic year of three quarters, during which a full-time student must complete at least 36 quarter hours. Each quarter provides ten weeks of instruction. Amelia plans to attend three quarters and complete 15 quarter hours per quarter in the 1995-96 award year. Amelia has a disability-related expense of $20 a week. The local disability services agency pays $10 of this weekly expense. Amelia will not be borrowing a loan from the FFEL or Direct

Loan Programs. The average cost of attendance for a full-time student attending all three quarters is shown on the chart below.

Amelia's COA Worksheet

Tuition/Fees	$1,200
Books/Supplies	$ 600
Room/Board	$1,500
Transportation	$ 450
Miscellaneous Expenses	$ 300
Disability Expense	$ 300
	$4,350 = **COST OF ATTENDANCE**

Case 2: Lynn

Lynn enrolls full time in a 600-clock-hour program at the Wild Thyme Culinary Institute. The institute defines the academic year for this program as 900 clock hours. Full-time students in the program attend 40 hours a week and complete the program in 15 weeks. The average cost of attendance is shown on the chart below.

Lynn's COA Worksheet

Tuition/Fees	$1,800
Books/Supplies	$ 200
Room/Board	$2,500
Transportation	$ 200
Miscellaneous Expenses	$ 300
Student Loan Fees	$ 105*
	$5,105 = **COST OF ATTENDANCE**

*Lynn plans on borrowing a Federal Stafford Loan.

COA Components for Specific Student Groups

Components	Incarcerated Students	Less-Than-Half-time Enrollment	Correspondence Study
Tuition and fees	Yes	Yes	Yes
Room and board	No	No	Only for required period of residential training
Books, supplies, transportation, and miscellaneous expenses	Only books and supplies related to course of study	Only books, supplies, and transportation	Books, supplies, and only travel related to a required period of residential training
Dependent-care expenses	No	Yes	No
Disability-related expenses	No	No	No
Study-abroad expenses	No	No	No
Cooperative education program employment related expenses	No	No	No
Student loan fees (FFEL and Federal Direct Loan Programs)	No	No	No

Session 18 - Campus-Based Programs

Main Objectives:

- You will be able to identify similarities and differences among the campus-based programs.
- You will be able to recognize each program's eligibility, funding, and general administrative requirements.

REVIEW OF CAMPUS-BASED PROGRAMS

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 5)

See *The 1995-96 Federal Student Financial Aid Handbook*, page 5-1, for an overview of the three campus-based programs: Federal Supplemental Educational Opportunity Grant (FSEOG), Federal Work-Study (FWS), and Federal Perkins Loan.

The programs have a number of provisions in common, including:

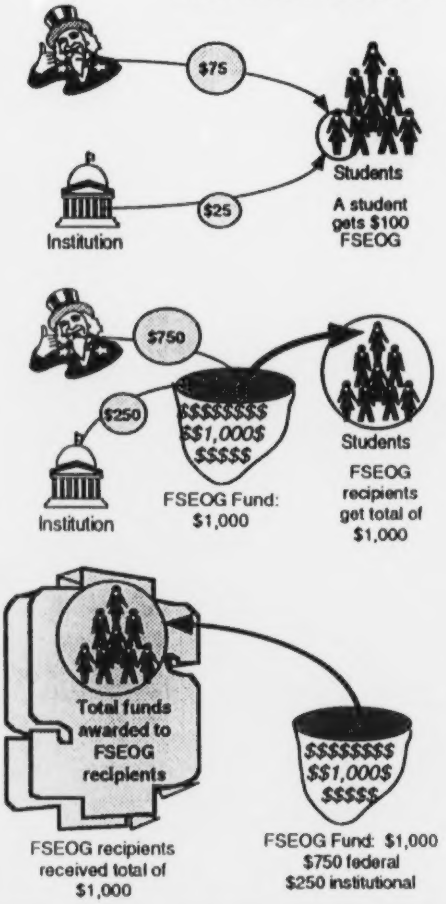
- They are administered by the school.
- Schools apply annually to ED for funds using the electronic FISAP—the Fiscal Operations Report and Application to Participate.
- A nonfederal share of awards is required in each program.
- Participating schools may take a federally prescribed administrative cost allowance to help defray expenses—see *The 1995-96 Federal Student Financial Aid Handbook*, page 5-20.

FEDERAL SUPPLEMENTAL EDUCATIONAL OPPORTUNITY GRANT PROGRAM

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 8)

Please read Chapter 8, Section One: Selecting Eligible Recipients; Section Two: Payments to Students; and Section Three: Program Funds.

3 METHODS TO MEET INSTITUTIONAL SHARE


$75
$25
Institution
Students
A student gets $100 FSEOG
$750
$250
$$$$$$$$ $$1,000$ $$$$$
Institution
FSEOG Fund: $1,000
Students
FSEOG recipients get total of $1,000
Total funds awarded to FSEOG recipients
$$$$$$$$ $$1,000$ $$$$$
FSEOG recipients received total of $1,000
FSEOG Fund: $1,000
$750 federal
$250 institutional

This is meeting the institutional share on the individual recipient basis.

This is meeting the institutional share on the fund-specific basis.

This is meeting the institutional share on the aggregate basis.

FEDERAL WORK-STUDY PROGRAM
(*The 1995-96 Federal Student Financial Aid Handbook,* Chapter 7)

Please read Chapter 7, Section One: Selecting Eligible Recipients and Assigning Jobs; Section Three: Paying Students; and Section Five: FWS Program Funds.

FEDERAL PERKINS LOAN PROGRAM
(*The 1995-96 Federal Student Financial Aid Handbook,* Chapter 6)

Please read Chapter 6, Section One: Student Eligibility and Section Two: Making and Disbursing Loans.

Session 19 - Processing Campus-Based Awards

Main Objective: You will be able to recognize the procedures for processing campus-based student financial aid funds in accordance with Title IV regulations.

GENERAL PRACTICES

Schools should have a central student-information system that shows:

- aid awarded, accepted, and disbursed;
- institutional charges;
- room and board charges;
- refunds or repayments; and
- other aid-related transactions.

FSEOG AND FEDERAL PERKINS LOAN DISBURSEMENT REQUIREMENTS

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 6, pages 6-20 to 6-23, and Chapter 8, pages 8-7 to 8-10)

Read the first few paragraphs of the section entitled "Disbursing Funds" on page 6-20 of the Handbook and fill in the blanks below:

1. Disburse Perkins or FSEOG by check no earlier than _______ before first day of classes.
2. Disburse by crediting student's account no earlier than _______ before first day of classes.

If crediting a student's account creates a balance after taking into account allowable charges, schools must pay that balance directly to the student within 21 days of the latest of:

- the day the balance is generated;
- the first day of classes of a payment period or period of enrollment; *or*
- the date a student rescinds authorization for the school to hold excess funds.

Beginning July 1, 1996, the balance must be paid directly to the student within 14 days.

Schools must inform students in writing about:

- how much FSEOG and Perkins aid they can expect to receive;
- when they will receive it; and
- how it will be paid.

Late Disbursement

Effective July 1, 1995, schools may make late disbursements to students for FSEOG and Federal Perkins Loans under certain circumstances.

Dividing Awards Among Payment Periods

Please fill in the blanks:

	FSEOG	Payment Periods and Disbursement Amounts
Martha (Fall and Spring semesters)	$1,000	
Diego (900 clock-hour program)	$1,000	
Susan (uneven costs—expenses of $240 all incurred at start of 900-clock-hour program)	$1,000	

Additional Federal Perkins Loan Requirements

- Counseling: (see *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 6, page 6-15).
- Signing the promissory note: (see *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 6, pages 6-18 and 6-19).
- Signing the schedule of advances: (see *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 6, page 6-20).

FWS DISBURSEMENT REQUIREMENTS

- Wage rates: (see *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 7, page 7-15).
- Disbursement: (see *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 7, pages 7-16 and 7-17).
- Payroll time records and vouchers: (see *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 7, page 7-18).

Requirements For Disbursing Campus-Based Funds

Program Eligibility	Methods of Disbursement	First Disbursement Options	Amount of Disbursements	Timing of Disbursements	Program-Specific Requirements
Federal Perkins Loan Program	• Credit to student account • Direct payment to student	• First disbursement before verification is complete—School is liable • First disbursement before receipt of FAT—School is not liable if FAT requested and no reason to question eligibility	• Standard academic term—Equal division among payment periods • Nonterm—No more than 1/2 prior to midpoint • Program shorter than full academic year—Equal division among payment periods • *But* for uneven costs, may make proportionate advances	• Standard academic terms—Once each payment period • Nonterm—At least twice during academic year—At the beginning of academic year and midpoint of academic year • For six-month training, at least two advances required • <$501 award, only one payment required • Credit to account up to 10 days prior to first day of class • Direct payment to student up to 10 days prior to first day of classes • If student never attends, Perkins Loan must be reimbursed	• Pre-loan counseling—Rights/responsibilities, loan for education purposes, loan must be repaid, other information • Promissory note signed at time of each loan advance • School must notify student of—Amount of payment and method of payment
Federal Supplemental Educational Opportunity Grant (FSEOG)	• Credit to student account • Direct payment to student	• First disbursement before verification is complete—School is liable • First disbursement before receipt of FAT—School is not liable if FAT requested and no reason to question eligibility	• Standard academic term—Equal division among payment periods • Nonterm—No more than 1/2 prior to midpoint • Program shorter than full academic year—Equal division among payment periods • *But* for uneven costs, may make proportionate advances	• Standard academic terms—Once each payment period • Nonterm—At least twice during academic year—At the beginning of academic year and midpoint of academic year • For six-month training, at least two advances required • <$501 award, only one payment required • Credit to account up to 10 days prior to first day of class • Direct payment to student up to 10 days prior to first day of classes • If student never attends, Perkins Loan must be reimbursed	• If individual match approach is chosen, and school controls timing of matching funds, school share must be disbursed at the same time as federal portion

Requirements For Disbursing Campus-Based Funds (Continued)

Program Eligibility	Methods of Disbursement	First Disbursement Options	Amount of Disbursements	Timing of Disbursements	Program-Specific Requirements
Federal Work-Study (FWS)	• Payment of federal share must be by check or similar instrument • School has option to pay nonfederal share with non-cash contribution—Must be credited before final payroll period of award year *and* student must receive statement of amount of non-cash contribution	• Work up to 60 days before verification is complete • Work during periods of nonenrollment if accepted for enrollment in next regular session • First disbursement before receipt of FAT—School is not liable if FAT requested and no reason to question eligibility	• At least federal minimum wage • School has option of payment greater than minimum wage	• At least once a month • Nonfederal portion by check or equivalent • Must be paid at the same time as federal share	• On-campus employment—School or contractors --Nonprofit schools or for-profit schools with restrictions --Federal share cannot exceed 75% of earnings • Off-campus employment—Government or nonprofit agencies --Federal share cannot exceed 75% of earnings • Off-campus employment—Private for-profit organizations --Academically related work --Federal share cannot exceed 50% of earnings • Off-campus employment—Must use at least 5% of the allocation for compensating students employed in community service jobs

Session 20 - Packaging

Main Objective: You will be able to recognize different approaches to packaging.

ISSUES IN PACKAGING

(*The 1995-96 Federal Student Financial Aid Handbook,* Chapter 2)

Example issue: Should first-year students be awarded a higher proportion of FSEOG funds (gift aid) while final-year students are awarded a higher proportion of Federal Perkins Loans (self-help aid)? Why or why not?_______

____

____

FEDERAL REQUIREMENTS AND CONSIDERATIONS THAT AFFECT PACKAGING

Financial Need and Estimated Financial Assistance (EFA)

(*The 1995-96 Federal Student Financial Aid Handbook,* Chapter 2)

A student's aid package, combined with the Expected Family Contribution (EFC) and all other estimated financial assistance (EFA), must not exceed that student's need. The school is liable for any Title IV aid awarded in excess of a student's need.

- **Campus-Based Need = COA - EFC - EFA**
- For items that must be included in EFA, see the Handbook, Chapter 2.

Other Federal Requirements and Considerations

(*The 1995-96 Federal Student Financial Aid Handbook,* Chapter 8, pages 8-3 to 8-6)

Regulations require a school to have written and published procedures for awarding aid and making funds reasonably available to all eligible students.

Important factors to consider when developing a packaging policy are:

- length and type of different programs of study
- characteristics of your student body
- amount of funding available
- Title IV maximum and minimum awards
- priorities in awarding to certain students
- priorities in awarding from different Title IV programs
- student debt burden
- possible overawards

Coordination of Other Aid Sources

A school's financial aid office must work with several offices and agencies both within and outside the school.

Policies and procedures should be developed that govern how alternative aid sources will be coordinated with Title IV aid—for example, determining which aid is to be award first.

PACKAGING MODELS

Within statutory and regulatory guidelines, a school has flexibility in formulating its packaging policies and procedures. Seven possible models are illustrated here using the same student—Bill.

Bill is a third-year half-time student attending McGregor Institute of Technology. His EFC is 298 and his full-time academic year cost of attendance is $5,102 for Pell; since he is a half-time student, his cost of attendance for campus-based and FFEL programs is reduced to $3,875.

Ladder model. All applicants are treated the same and are awarded aid in the following order:

1. Federal Pell Grant,
2. external or private resources,
3. gift aid (grants or scholarships), and
4. self-help aid (work-study and loans).

Question 1: Bill's campus-based/FFEL COA is $3,875 and his EFC is 298. What is his basic financial need?________________________________

Question 2: Bill's Pell COA is $5,102 and his EFC is 298. Using the 1995-96 *Half-Time* Pell Grant Payment and Disbursement Schedule on the second to last page in the Handbook, Chapter 4, what is Bill's Pell award?________

Question 3: What is Bill's remaining need, after Pell?________________

Question 4: Bill has an $1,100 Saratoga Scholarship. What is his remaining need, after taking into account this outside aid?____________

The school's packaging policy is now applied to meet the student's remaining need, taking into account any supplemental information known about the student, such as work or loan preferences. A completed ladder model worksheet is shown on the next page.

PACKAGING WORKSHEET

Ladder Model

MCGREGOR INSTITUTE OF TECHNOLOGY

Name: Bill Date: 4/8/95

SSN: 000-00-0000 Counselor: F. A. Archer

Campus-Based/FFEL Cost of Attendance $

Expected Family Contribution - $

Financial Need = $

Pell Cost of Attendance $ **Pell Grant** - $

Remaining Need = $

Other Financial Assistance (Scholarships, Campus-Based Awards, FFEL Loans, etc.)	**Amount**	**Remaining Need**
1.	$	$
2.	$	$
3.	$	$
4.	$	$

Total Financial Aid, Including Pell $

Remaining Need After Packaging $

Self-help model. All applicants are treated identically and are awarded aid in the following order:

1. Federal Pell Grant,
2. external or private resources,
3. self-help aid (work-study and loans), and
4. gift aid (grants and scholarships), but only if maximum levels of self-help aid fail to meet the student's need.

A completed self-help model worksheet is shown on the next page.

Absolute equity model. A maximum dollar figure (equity level) is established by the school for awarding gift aid. All students are funded up to the equity level with gift aid, then their remaining need is filled with self-help assistance. The maximum gift-aid amount is reduced by the student's Expected Family Contribution (EFC), Federal Pell Grant award, and any outside financial aid the student already has been awarded. A completed absolute equity model worksheet is shown on page 7.

Fixed percentage equity model. Similar to absolute equity, except that the gift-aid maximum is a percentage of the student's cost of attendance (COA) for the campus-based and FFEL programs. This maximum amount is reduced by the student's EFC, Federal Pell Grant award, and any outside financial aid the student already has been awarded. A completed fixed percentage equity model worksheet is shown on page 8.

Individual basis model. All applicants are awarded aid separately. There are no school maximums, no fixed levels of gift aid, and no order to aid awarded.

First-come, first-served model. All applicants are funded in the order in which they apply, with the maximum amounts from all sources, until funds are exhausted. This packaging concept cannot be used to award FSEOG funds as it conflicts with the grant-selection criteria required by 34 CFR 676.10. A completed first-come, first-served model worksheet is shown on page 9.

Special groups model. Separate packaging criteria are used for specific groups of students, such as athletes on partial scholarships and disabled students. This strategy can be used in combination with any of the other six packaging models.

PACKAGING WORKSHEET

SELF-HELP MODEL

MCGREGOR INSTITUTE OF TECHNOLOGY

Name: Bill Date: 4/8/95

SSN: 000-00-0000 Counselor: F. A. Archer

Campus-Based/FFEL Cost of Attendance			$3,875
Expected Family Contribution		-	$ 298
Financial Need		=	$3,577
Pell Cost of Attendance $5,102	**Pell Grant**	-	$1,045
Remaining Need		=	$2,532

Other Financial Assistance (Scholarships, Campus-Based Awards, FFEL Loans, etc.)	**Amount**	**Remaining Need**
1. Saratoga Scholarship	$1,100	$1,432
2. Federal Work-Study	$1,000	$ 432
3. Federal Perkins Loan	$ 432	$ 0
4.	$ 0	$ 0
Total Financial Aid, including Pell	$3,577	
Remaining Need After Packaging		$ 0

PACKAGING WORKSHEET

ABSOLUTE EQUITY MODEL

MCGREGOR INSTITUTE OF TECHNOLOGY

Name: Bill

Date: 4/8/95

SSN: 000-00-0000

Counselor: F. A. Archer

Campus-Based/FFEL Cost of Attendance			$3,875
Expected Family Contribution		-	$ 298
Financial Need		=	$3,577
Pell Cost of Attendance $5,102	**Pell Grant**	-	$1,045
Remaining Need		=	$2,532

Other Financial Assistance (Scholarships, Campus-Based Awards, FFEL Loans, etc.)	**Amount**	**Remaining Need**
1. Saratoga Scholarship	$1,100	$1,432
2. FSEOG	$ 232	$1,200
3. Federal Work-Study	$1,000	$ 200
4. Federal Perkins Loan	$ 200	$ 0
Total Financial Aid, including Pell	$3,577	
Remaining Need After Packaging		$ 0

PACKAGING WORKSHEET

FIXED PERCENTAGE EQUITY MODEL

MCGREGOR INSTITUTE OF TECHNOLOGY

Name: Bill

Date: 4/8/95

SSN: 000-00-0000

Counselor: F. A. Archer

Campus-Based/FFEL Cost of Attendance			$3,875
Expected Family Contribution		-	$ 298
Financial Need		=	$3,577
Pell Cost of Attendance $5,102	**Pell Grant**	-	$1,045
Remaining Need		=	$2,532

Other Financial Assistance (Scholarships, Campus-Based Awards, FFEL Loans, etc.)	**Amount**	**Remaining Need**
1. Saratoga Scholarship	$1,100	$1,432
2. FSEOG	$ 502	$ 930
3. Federal Work-Study	$ 930	$ 0
4.	$ 0	$ 0
Total Financial Aid, including Pell	$3,577	
Remaining Need After Packaging		$ 0

PACKAGING WORKSHEET

FIRST-COME, FIRST-SERVED MODEL

MCGREGOR INSTITUTE OF TECHNOLOGY

Name: Bill

Date: 4/8/95

SSN: 000-00-0000

Counselor: F. A. Archer

Campus-Based/FFEL Cost of Attendance			$3,875
Expected Family Contribution		-	$ 298
Financial Need		=	$3,577
Pell Cost of Attendance $5,102	**Pell Grant**	-	$1,045
Remaining Need		=	$2,532

Other Financial Assistance (Scholarships, Campus-Based Awards, FFEL Loans, etc.)	**Amount**	**Remaining Need**
1. Saratoga Scholarship	$1,100	$1,432
2. Federal Work-Study	$1,000	$ 432
3. Federal Perkins Loan	$ 432	$ 0
4.	$ 0	$ 0
Total Financial Aid, including Pell	$3,577	
Remaining Need After Packaging		$ 0

PACKAGING WORKSHEET

Name: ____________________ Date: ____________________

SSN: ____________________ Counselor: ____________________

Campus-Based/FFEL **Cost of Attendance**		$ ______
Expected Family Contribution	-	$ ______
Financial Need	=	$ ______
Pell Cost of Attendance $ ______ **Pell Grant**	-	$ ______
Remaining Need	=	$ ______

Other Financial Assistance (Scholarships, Campus-Based Awards, FFEL Loans, etc.)	**Amount**	**Remaining Need**
1. ____________________	$ ______	$ ______
2. ____________________	$ ______	$ ______
3. ____________________	$ ______	$ ______
4. ____________________	$ ______	$ ______
Total Financial Aid, including Pell	$ ______	
Remaining Need After Packaging		$ ______

Session 21 - Adjustments and Professional Judgment

Main Objectives:

- You will be able to describe the concept of professional judgment.
- You will be able to recognize the procedures for and limitations to adjusting a student's cost of attendance (COA) and Expected Family Contribution (EFC).

ADJUSTING NEED BASED ON PROFESSIONAL JUDGMENT

(1995-96 Action Letter #9; *The 1995-96 Federal Student Financial Aid Handbook,* Chapter 2, page 2-43)

The financial aid administrator (FAA) is responsible for reserving the use of professional judgment for cases that genuinely warrant it. Professional judgment must be triggered by unusual circumstances that affect the student or the student's family and that are not recognized in a standard treatment. Professional judgment decisions must be applied on an individual case-by-case basis only, and must be justified and documented in the student's file.

To allow flexibility in awarding aid to meet individual needs, the FAA is allowed to make adjustments to a student's COA and the data elements that determine the EFC. The FAA cannot directly adjust the EFC figure.

ADJUSTING THE COST OF ATTENDANCE

(*The 1995-96 Federal Student Financial Aid Handbook,* Chapter 2, pages 2-45 and 2-46)

The FAA may make adjustments to the COA when the standard cost of attendance does not reflect the student's true costs.

After adjusting the student's COA, the FAA must recompute the student's need. If the student's aid was previously packaged, then the school must now repackage the student's aid.

ADJUSTING THE EXPECTED FAMILY CONTRIBUTION
(1995-96 Action Letter #9, III-4)

The FAA may also make adjustments when the calculated EFC does not accurately reflect the family's ability to pay. If the FAA determines that one or more of the data elements in the need analysis is not appropriate or does not accurately reflect the current resources available to the student or family, the FAA may adjust that data.

After making adjustments to EFC data elements, the school has two options:

- calculate the adjusted EFC *or*
- submit the adjusted data to the CPS for reprocessing.

Reporting EFC Adjustments to the CPS: Part 2 of the paper SAR, or the electronic equivalent, is used for this purpose.

The FAA must fill out the School Use Only box on Part 2 of the SAR.

School Use Only EFC: 00000*C SEC. EFC: 000-00-0000 MA 01
FAA Recalculated EFC ☐☐☐☐☐ FAA EFC Adjustment ☐☐☐☐☐ D/O 1 ☐ 2 ☐
Adjusted EFC Calculation Requested ☐
Title IV Institution No. ☐☐☐☐☐☐ FAA Signature____________________
MDE Use Only

The Title IV Institution Code and the FAA's signature are required to complete the School Use Only box.

When the adjusted EFC is determined, the student's need must be recomputed. If the student's aid was previously packaged, the school must now repackage the student's aid.

CASE STUDY: ADJUSTING NEED

Making an Adjustment

After receiving her financial aid award letter, Sally told the financial aid administrator that she now is paying high medical expenses because of an injury to her son. Due to his injury, her son is required to go to physical therapy on a weekly basis. It is anticipated that the therapy will need to be continued during all 30 weeks of the enrollment period. The physical therapy is not covered under her insurance plan.

Based on professional judgement, the FAA decides to adjust Sally's cash, checking, and savings data element. Therefore, the aid administrator adjusts the assets by $150 x 30 = $4,500. This adjustment will change the EFC.

Repackaging

The first step is to redetermine Sally's Federal Pell Grant following the full adjustment to her EFC.

Using an Adjusted Packaging Worksheet simplifies the process of repackaging—see page 4.

Initially, Sally's need was completely met, and she was not eligible for a Pell Grant or FSEOG. After adjustment, however, she is eligible for a Pell Grant, a FSEOG, and a subsidized Federal Stafford Loan of $1,407. Should she take the full loan?

Documenting the Adjustment

Adjustments must be documented, in writing, and the documentation must be kept in the student's file.

See pages 4 through 6 for sample documentation in Sally's case.

OTHER AREAS FOR PROFESSIONAL JUDGMENT

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 2; 1995-96 Action Letters #3 and #7)

There are four other areas where the FAA can exercise professional judgment:

- changing the student's dependency status from dependent to independent ("dependency override");
- certifying additional amounts for an Federal Unsubsidized Stafford Loan or Federal Unsubsidized Stafford/Ford Loan for a dependent undergraduate student whose parents are not able to take out a PLUS Loan or a Direct PLUS Loan;
- adjusting satisfactory academic progress requirements due to mitigating circumstances; and
- declining to certify a FFEL Program or Federal Direct Loan Program application or certifying it for a lesser amount.

ADJUSTED PACKAGING WORKSHEET

Name: Sally Augustine
Date: 08/24/95
SSN: 000-00-0000
Counselor: F.A. Archer

			Initial	Adjusted
Cost of Attendance (Campus-Based/FFEL)			$6,747	$6,747
- Expected Family Contribution			2890	0
= Need			**$3,857**	**$6,747**
- Federal Pell Grant (from Payment Schedule)			0	$2,340
= Remaining Need			**$3,857**	**$4,407**
- Other Aid	State Grant	- $1,000		
	Scholarship	- $1,000	$2,000	$2,000
= Remaining Need			**$1,857**	**$2,407**
- Campus-Based Aid	FSEOG		0	$1,000
= Remaining Need (subsidized Federal eligibility)	Stafford		**$1,857**	**$1,407**

COA AND/OR EFC ADJUSTMENT

Name: Sally Augustine Date: 08/24/95

SSN: 000-00-0000 Counselor: F. A. Archer

At the time the application was completed, Sally reported sizable assets. Two months prior to the school's start date, Sally's son was involved in an automobile accident that left him seriously injured, requiring physical therapy. Sally has presented cancelled checks to show payment to the physical therapist (copies attached) and a letter from her insurance company stating that her son's physical therapy is not covered under her health insurance plan.

An adjustment is being made to her cash, savings, and checking data element to reflect the high medical expenses for Sally's injured son. The required physical therapy costs $150 per week for 30 weeks for a total of $4,500. This reduces her initial cash, savings, and checking figure of $5,000 to $500.

Her EFC was recalculated by the CPS and documented in her file.

Sally Augustine
542 Cedric Lane
St. Louis, MO 05661

No. 831

Date: 7-2-95

Pay To The
Order Of Physical Therapy Practitioner $ 150.00

One Hundred Fifty and Zero Cents only Dollars

Blue Skies National Bank
St. Louis, MO 05661

FOR Rob's Physical Therapy

Sally Augustine

Sally Augustine
542 Cedric Lane
St. Louis, MO 05661

No. 837

Date: 7-9-95

Pay To The
Order Of Physical Therapy Practitioner $ 150.00

One Hundred Fifty and Zero Cents only Dollars

Blue Skies National Bank
St. Louis, MO 05661

FOR Rob's Physical Therapy

Sally Augustine

Sally Augustine
542 Cedric Lane
St. Louis, MO 05661

No. 849

Date: 7-16-95

Pay To The
Order Of Physical Therapy Practitioner $ 150.00

One Hundred Fifty and Zero Cents only Dollars

Blue Skies National Bank
St. Louis, MO 05661

FOR Rob's Physical Therapy

Sally Augustine

WEGOTCHA ,
New York, New York 20019-0015 • 212-081-0001•(fax) 212-081-0002

July 26, 1995

Dear Ms. Augustine:

We are not able to process your claim. Your health care policy does not cover physical therapy treatment. You may purchase additional coverage that includes physical therapy treatment for an additional fee.

If you have any questions about your health benefits or if you would like to purchase additional coverage, please call our customer service department between 8:00 a.m. and 4:30 p.m. Eastern Time.

Sincerely,

Lola Tune

Lola Tune
Claims Adjuster

Session 22a - Calculating Federal Pell Grant Cost of Attendance— Term-Based Using Credit Hours

Main Objective: You will be able, given information about the student's Federal Pell Grant cost of attendance (COA) and Expected Family Contribution (EFC), to accurately calculate a student's expected Pell Grant disbursement for a term-based credit-hour program.

Introductory Note: Term programs are programs in which standard academic terms are used, such as semesters, quarters, trimesters, or other academic terms.

CALCULATING FEDERAL PELL GRANTS

(*The 1995-96 Federal Student Financial Aid Handbook,* Chapter 4, Section 2, pages 4-16 to 4-33)

Depending on the structure and length of a student's program of study, a school calculates the amount of the Pell Grant payment using one of five formulas. The formulas are outlined in the Handbook beginning on page 4-16.

Statutory Definition of an Academic Year

Statutory Definition of an Academic Year

Academic Progress Measured By:	Minimum Completion Requirement*	Minimum Instructional Time Requirement
Semester hours	24 semester hours	30 weeks
Trimester hours	24 semester hours	30 weeks
Quarter hours	36 semester hours	30 weeks
Clock hours	900 clock hours	30 weeks

* Number of hours that a student enrolled full time is expected to complete in a full academic year.

Step 1. Determine Enrollment Status

Please turn in the Handbook to Chapter 4, Section 2, page 4-16, where the enrollment status minimum requirements are outlined for you.

Step 2. Calculate the Federal Pell Grant Cost of Attendance (COA)

Please turn in the Handbook to Chapter 4, Section 2, page 4-20, where the Pell Grant COA requirements are outlined for you.

Step 3. Determine the Annual Award

Please turn to Chapter 4, Section 2, page 4-21, in the Handbook, where the annual award requirements are outlined for you.

Step 4. Determine the Payment Periods

Please turn in the Handbook to Chapter 4, Section 2, page 4-24, where the payment period requirements for Formula 4 are outlined for you. There are three categories of programs to consider when determining payment periods:

- programs that are one academic year in length;
- programs that are longer than the academic year; and
- programs that are shorter than the academic year.

Step 5. Calculating Payment for the Payment Periods

Please turn to Chapter 4, Section 2, page 4-29 in the Handbook, where the payment calculation for a payment period is outlined for you.

Expected Disbursements

The expected disbursement is the sum of all *expected* Pell Grant payments to a student during the award year. Payments can be made only for those payment periods in which the student is enrolled.

Example: Doug is a full-time student enrolled at a school that operates on an academic year with three quarters. He will graduate after the first two quarters of the academic year and has a scheduled award of $1,050. His school has defined an academic year as 30 weeks of instructional time and 36 quarter hours.

1. What is his annual award?________________________________

2. What is the payment for each payment period in which Doug is enrolled?________________________________

3. What is his expected disbursement?________________________________

SPECIAL CONSIDERATIONS IN CALCULATING AWARDS

(*The 1995-96 Federal Student Financial Aid Handbook,* Chapter 4, Section 3)

Crossover Payment Periods

A crossover payment period is a payment period that falls partly into each of two award years. Ways of handling crossover periods are described in the Handbook.

Transfer Students

Before making payments, FAAs must check that transfer students will not receive more than 100% of the current year's scheduled award, including percentages received at schools previously attended.

Special Program Considerations

You should be aware of the following considerations and consult the Handbook when they arise:

- consortium agreements (between and among eligible schools);
- cooperative education;
- correspondence study combined with regular study;
- foreign study;
- incarcerated students;
- job training (JTPA) programs;

- remedial course work;
- summer mini-sessions; and
- two scheduled awards in one award year.

METHODS AND TIMING OF PELL DISBURSEMENTS

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 4, Section 4)

All student eligibility criteria must be checked before disbursing a Federal Pell Grant. The methods of disbursing a Pell Grant to a student are:

- by giving cash or a check directly to the student,
- by making an electronic fund transfer (EFT), *or*
- by crediting the student's account.

Credit disbursements must be limited to tuition, fees, and room and board contracts, unless the student authorizes a credit, in writing, for other goods or services.

If students have registered for a payment period, schools have the option of making early payments. The earliest that a school may disburse any Title IV funds is 10 days prior to the start of the payment or enrollment period.

Note: If a school credits a student's account or pays the student before classes begin and the student never shows up for classes, the school is liable and must return the early payment to the Federal Pell Grant account.

RECALCULATING A PELL GRANT AWARD

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 4, Section 5)

A school must recalculate Pell Grant awards if the EFC changes as a result of:

- verification,
- updating, *or*
- professional judgment.

A school may elect to recalculate Pell Grant awards in other circumstances. These instances are outlined for you in *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 4, Section 5.

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Session 22b - Calculating Federal Pell Grant Cost of Attendance—Credit Hours Without Terms and Clock Hours

Main Objective: You will be able, given information about a student's Federal Pell Grant cost of attendance (COA) and Expected Family Contribution (EFC), to accurately calculate a student's expected Pell Grant disbursement for a credit-hour program without terms and for a clock-hour program.

CALCULATING FEDERAL PELL GRANTS

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 4, Section 2, pages 4-16 to 4-33)

Depending on the structure and length of the student's program of study, the school calculates the amount of the Pell Grant payment using one of five formulas. The formulas are outlined in the Handbook, beginning on page 4-16. Formula 4 is for schools with credit-hour programs without terms or clock-hour programs and is on pages 4-16 to 4-29 in the Handbook.

STATUTORY DEFINITION OF AN ACADEMIC YEAR

Statutory Definition of an Academic Year

Academic Progress Measured By:	Minimum Completion Requirement*	Minimum Instructional Time Requirement
Semester hours	24 semester hours	30 weeks
Trimester hours	24 semester hours	30 weeks
Quarter hours	36 semester hours	30 weeks
Clock hours	900 clock hours	30 weeks

* Number of hours that a student enrolled full time is expected to complete in a full academic year.

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Step 1. Determine Enrollment Status

Please turn to Chapter 4, Section 2, page 4-16 in the Handbook, where the enrollment status minimum requirements are outlined for you.

Step 2. Calculate the Federal Pell Grant Cost of Attendance (COA)

Please turn to Chapter 4, Section 2, page 4-20 in the Handbook, where the Pell Grant COA requirements for Formula 4 are outlined for you.

Step 3. Determine the Annual Award

Please turn to Chapter 4, Section 2, page 4-21 in the Handbook, where the annual award requirements for Formula 4 are outlined for you.

Step 4. Determine the Payment Periods

Please turn to Chapter 4, Section 2, page 4-24 in the Handbook, where the payment period requirements for Formula 4 are outlined for you. There are three categories of programs to consider when determining payment periods:

- programs that are one academic year in length;
- programs that are longer than the academic year; and
- programs that are shorter than the academic year.

Payment Period Exercise

On the chart on page 3, use the program lengths and academic years to calculate the number of payment periods and the hours in each period. The first one has been completed for you as an example.

Program Length	Academic Year*	Number of Payment Periods and Hours of Each Period
1. 36 quarter hours	36 quarter hours	**2 (1-18; 19-36)**
2. 700 clock hours	900 clock hours	
3. 20 semester hours	24 semester hours	
4. 1600 clock hours	900 clock hours	
5. 1800 clock hours	900 clock hours	
6. 45 semester hours	24 semester hours	

*In all six examples, the schools define their academic year as 30 weeks of instructional time.

Step 5. Calculating Payment for the Payment Periods

Please turn to Chapter 4, Section 2, page 4-29 in the Handbook, where the payment calculation for a payment period is outlined for you.

Example A

The payment period is 300 clock hours, and the program and academic year both equal 900 clock hours. The school defines its academic year as 30 weeks of instructional time. A full-time student completes the program in 27 weeks. Jim is a full-time student whose annual award is $1,350. What is Jim's payment for the first payment period?

- o The "weeks of a program fraction" is 27/30.
- o The "weeks of academic year fraction" is 27/30.

- o Or the number "1."

- o Multiply the annual award by the lesser of those two fractions, which are both less than "1" and, in this case, happen to be identical. This creates 27/30 x $1,350, which equals $1,215.

- o The "clock-hour fraction" for this payment period is 300/900 or 1/3.

- o The payment, therefore, is $1,215 x 1/3, which equals $405.

Example B

The standard payment period is 18 quarter hours, and the program is 42 quarter hours to be completed in 35 weeks. The academic year is 36 quarter hours and there are 30 weeks of instructional time. A full-time student completes 36 quarter hours in 30 weeks of instructional time. A full-time student completes 18 hours in each of the first two payment periods of 15 weeks each and the last period of six (6) credits is five weeks. The academic year is 30 weeks. Janet is a full-time student whose annual award is $1,250. What are Janet's payments for the first year's payment periods?

For the first and second payment period:

- o The "weeks fractions" are 35/30 and 30/30.

- o Multiply the annual award amount by the lesser of these two fractions or "1," which is 1 x $1,250 = $1,250.

- o The "credit-hours fraction" for the first and second payment periods is 18/36 or 1/2 of the $1,250, which equals $625.

Janet has received a total of $625 + $625 = $1,250 for her first academic year of 36 quarter hours and 30 weeks of instructional time. She has received her full annual award for 1995-96 and is not eligible for further Pell Grant funds from the 1995-96 award year even though she has six (6) remaining credits.

Suppose that payment periods 1 and 2 both occurred during award year 1995-96, but her third and last period is partly in the next award year, 1996-97, and Janet's annual award for 1996-97 is again $1,250.

- o The "weeks fractions" are 35/30 and 30/30.

- o Multiply the 1996-97 annual award by the lesser of these two fractions or "1," so—1 x $1,250 = $1,250.

- For the last payment period, the "credit-hour fraction" is 6/36 or 1/6.
- So, the payment for the last payment period will be $1,250 x 1/6 = $208.33, which must be rounded to $208.

Students may not be paid for a new payment period until they have completed all of the hours for which payment already has been made, have been found to be making satisfactory academic progress, and have begun attendance in the new payment period. Clock-hour programs must have written attendance policies because clock hours cannot be completed without attendance.

For further review, case studies using each of the five formulas for calculating a Federal Pell Grant award are provided in the Handbook on pages 4-48 to 4-58.

Expected Disbursements

The expected disbursement is the sum of all expected Federal Pell Grant payments to a student during the award year.

Questions: Refer to Example A on page 2 of this session and fill in the blanks:

1. What is Jim's annual award? $____________________
2. What is Jim's expected disbursement? $____________________

SPECIAL CONSIDERATIONS IN CALCULATING AWARDS

(*The 1995-96 Federal Student Aid Handbook,* Chapter 4, Section 3)

Crossover Payment Periods

A crossover payment period is a payment period that falls partly into each of the two award years. Several ways of handling crossover periods are described in the Handbook.

Example C

Vicki enrolls in a 900-clock-hour program on January 4, 1996. The school defines an academic year as 900 clock hours and 30 weeks of instructional time. The school estimates that her first 450-hour payment period will end on May 17, and the second payment period runs from May 24 to September 30, 1996.

The second payment period is expected to begin in the 1995-96 award year, but "crosses over" into the 1996-97 award year, which begins on July 1, 1996.

- o Since Vicki only received half of her 1995-96 annual award for the first payment period, she can be paid for the second payment period out of her remaining 1995-96 eligibility.

Example D

Lucy enrolls in a 1200-clock-hour program on September 1, 1995. The academic year is 900 clock hours and 30 weeks of instructional time and the payment periods are 450 hours, 450 hours, and 300 hours long. The first payment period is expected to end on January 12, 1996, after the first 450 hours and her second 1995-96 payment period is expected to run from January 13 to May 31, 1996.

By the end of the second payment period on May 31, Lucy has already received a full annual award for 1995-96 for the 900 hours of study she completed. Lucy's third payment period is expected to begin on June 1 in the 1995-96 award year and end on August 5, 1996. Lucy can be paid for the crossover payment period of 300 clock hours if she is eligible for a Pell Grant award for the 1996-1997 award year. She must have submitted a FAFSA or Renewal FAFSA for 1996-97, and the school must have received her EFC. The school would use the Federal Pell Grant COA for 1996-97 and Lucy's EFC for 1996-97 to determine her annual award from the Payment Schedule for 1996-97. Her award must be adjusted for 300 clock hours in the payment period.

Transfer Students

Before making payments, FAAs must check that transfer students will not receive more than 100% of a Pell Grant annual award, including amounts received at schools previously attended during the award year being processed.

Special Program Considerations

You should be aware of the following considerations and consult the Handbook when they arise:

- o terms with clock hours;
- o consortium agreements (between and among eligible schools);

- cooperative education;
- correspondence study;
- correspondence study combined with regular study;
- foreign study;
- incarcerated students;
- job training (JTPA) programs;
- remedial course work; and
- two Scheduled Awards in one award year.

METHODS AND TIMING OF PELL GRANT DISBURSEMENTS

(*The 1995-96 Federal Student Aid Handbook,* Chapter 4, Section 4)

All student eligibility criteria must be checked before disbursing a Pell Grant. The methods of disbursing a Pell Grant to a student are:

- giving a check directly to the student,
- making an electronic funds transfer (EFT), **or**
- crediting the student's account.

Credit disbursements must be limited to tuition, fees, and room and board contracts, unless the student authorizes a credit, in writing, for other goods or services.

If students have registered for a payment period, schools have the option of making early payments. The earliest that a school may disburse any Title IV funds is ten days prior to the start of the payment or enrollment period.

RECALCULATING A PELL GRANT AWARD

(*The 1995-96 Federal Student Aid Handbook,* Chapter 4, Section 5)

A school must recalculate Federal Pell Grant awards if the EFC changes as a result of:

- o verification,
- o updating or correcting applicant data, or
- o professional judgment.

A school may elect to recalculate Pell Grant awards in other circumstances. These instances are outlined for you in the Handbook, Chapter 4, Section 5. If the school exercises this option, a consistent school policy must be written to define the conditions for recalculating a Pell Grant award.

Session 23 - The Payment Voucher, Institutional Payment Summary, and Related Reports

Main Objective: You will be able to recognize how to complete a Pell Grant Payment Voucher and an Institutional Payment Summary.

REPORTING INDIVIDUAL PELL DISBURSEMENT DATA

For an overview of drawing down and reporting disbursements, see the diagram in *The 1995-96 Federal Student Financial Aid Handbook,* Chapter 4, page 4-92.

Four Methods of Reporting

(*The 1995-96 Federal Student Financial Aid Handbook,* Chapter 4, pages 4-92 and 4-93)

There are four ways to report on payments to individual students:

- the manual system (Payment Voucher and Institutional Payment Summary or [IPS]),
- the Recipient Data Exchange (RDE),
- the Electronic Data Exchange (EDE), and
- the Floppy Disk Data Exchange (FDDE).

Overview of the Reporting Process

(*The 1995-96 Federal Student Financial Aid Handbook,* Chapter 4, pages 4-92 to 4-94)

A diagram of the processing path for the Payment Vouchers and the IPS is shown in the Handbook, page 4-94.

COMPLETING THE INSTITUTIONAL PAYMENT SUMMARY

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 4, pages 4-95 to 4-97)

A copy of the IPS, filled out by Paul's school, appears on page 3 of this Guide.

COMPLETING THE PAYMENT VOUCHER

(*The 1995-96 Federal Student Financial Aid Handbook*, pages 4-98 to 4-105)

A copy of Paul's Payment Voucher appears on pages 4 and 5 of this Guide.

A complete description of how to complete the Payment Voucher is in the Handbook, starting on page 4-98.

PROCESSED PAYMENT VOUCHERS, THE IPS BATCH REPORT, AND THE STUDENT PAYMENT SUMMARY

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 4, pages 4-94 through 4-109)

A diagram of the processing path showing the Processed Payment Vouchers (PPVs) and the IPS Batch Report that ED returns to the school is shown in the Handbook, page 4-94.

A complete description of how to deal with Processed Payment Vouchers, the IPS Batch Report, and the Student Payment Summary (SPS) is in the Handbook, starting on page 4-109.

ELECTRONIC REPORTING WITH EDE

The Electronic Data Exchange (EDE) provides several equivalents of the documents used in manual reporting, including Electronic Payment Vouchers (EPVs), Electronic Processed Payment Vouchers (EPPVs), and the Electronic Statement of Account (ESOA). There are no direct equivalents to the IPS or IPS Batch Report.

INSTITUTIONAL PAYMENT SUMMARY FOR

FEDERAL PELL GRANTS

1995-96 AWARD YEAR

PLEASE READ INSTRUCTIONS BEFORE COMPLETING THIS FORM

FORM APPROVED
OMB NO. 1840-0543
Expiration Date
August 1996

SECTION I: GENERAL INFORMATION (Complete only if information below is incomplete or incorrect)

1. Pell Inst. No. 999999
2. Entity No. 000000000A9

☐ Check here when NAME and/or ADDRESS has been changed and indicate changes below

3. Institution NAME and ADDRESS:

Broadway University
St. Louis, MO 05661

4. Type of Institution
4 YEARS

1 ☐ Less than one year 2 ☐ One year but less than two years 3 ☐ Two years but less than three years
4 ☐ Three years but less than four years 5 ☐ Four Years (baccalaureate degree only) 6 ☐ Five years or more

5. Financial Control
PUBLIC

1 ☐ Public 2 ☐ Private nonprofit 3 ☐ Proprietary

6. 1995-96 Undergraduate Enrollment A. Full-time 6,000 B. Part-time (at least half-time) 500

7. Academic Calendar
SEMESTER

1 ☐ Credit hour nonstandard terms 2 ☐ Quarter 3 ☐ Semester
4 ☐ Trimester 5 ☐ Clock hour 6 ☐ Credit hour without terms

8. Standard Cost of Attendance (per Undergraduate Student)

	Total			Tuition and Fees		Room/Board Books Misc		Other
A.	$ 2,990	=	$	1,190	+	1,800	+	0
B.	$ 3,590	=	$	1,190	+	2,400	+	0
C.	$ 4,180	=	$	2,380	+	1,800	+	0
D.	$ 5,780	=	$	2,380	+	2,400	+	1,000
E.	$	=	$		+		+	
F.	$	=	$		+		+	
G.	$	=	$		+		+	
H.	$	=	$		+		+	
I.	$	=	$		+		+	
J.	$	=	$		+		+	

9. Hours/Credits in school's academic year definition (Clock hour programs or credit hours programs without terms only) ______

10. Payment Frequency
01/TM

1 ☐ Two per year 2 ☐ One per term 3 ☐ Two per term
4 ☐ Two terms plus mini-term 5 ☐ Monthly 6 ☐ ____ per ______

SECTION II: PAYMENT INFORMATION (To be completed on each IPS)

11. Date Enrolled this Award Year (Month and year only) 09 9 5

12. Months in which REMAINING payments will be made for Payment Vouchers submitted with this IPS

☐ July ☐ Aug ☐ Sept ☐ Oct ☐ Nov. ☐ Dec
☐ Jan ☒ Feb ☐ March ☐ April ☐ May ☐ June

CHECK COMPUTATIONS FOR ACCURACY

13. Number of Payment Vouchers/Processed Payment Vouchers submitted with this IPS — 13. 1
14. Amount Paid to Date (Item 5) on Payment Vouchers/Processed Payment Vouchers submitted with this IPS — 14. $ 1,170
15. Total Payments to date to all Federal Pell Recipients per school records — 15. $ 6,050
16. Ending Date of Period Corresponding to Amount in Item 15 above (Date entered here must not be after the date reported in item 20) — 16. 9/28/95

Official responsible for the INSTITUTIONAL PAYMENT SUMMARY must sign item 17

17. Signature Freda A. Archer
18. Name Freda A. Archer
19. Title Financial Aid Administrator
20. Phone (314) 555-1234 Date Signed 09/29/95

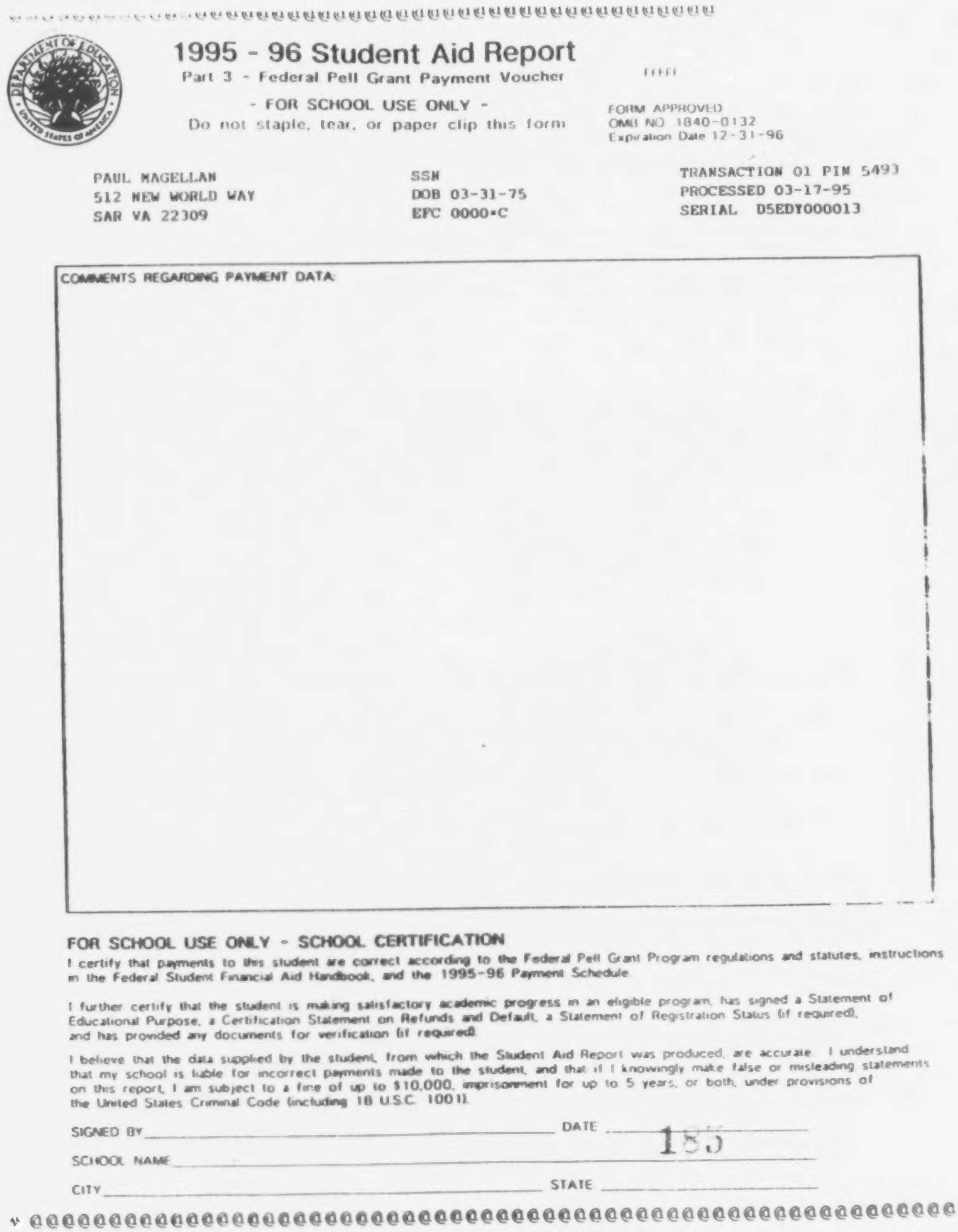
Financial Aid Servicer Code ____

21. Signature ______
22. Name ______
23. Corp Name ______ Phone ______

MAIL THE IPS TO U.S. DEPARTMENT OF EDUCATION
APPLICATION AND PELL PROCESSING SYSTEMS DIVISION PSS
P.O. BOX 10200 HERNDON VA 22070-7009

CERTIFICATION - I certify that I have examined this Institutional Payment Summary including any accompanying student data and all information is true and complete to the best of my knowledge. I understand that if I knowingly make false or misleading statements on this report I am subject to a fine of up to $10,000 imprisonment for up to 5 years or both under provisions of the United States Criminal Code including 18 U.S.C. 1001.

ED FORM 255-3 7/95 (20 U.S.C. 1070a; 34 CFR 690.84)



1995 - 96 Student Aid Report

Part 3 - Federal Pell Grant Payment Voucher

- FOR SCHOOL USE ONLY -

Do not staple, tear, or paper clip this form

FORM APPROVED
OMB NO 1840-0132
Expiration Date 12-31-96

PAUL MAGELLAN
512 NEW WORLD WAY
SAR VA 22309

SSN
DOB 03-31-75
EFC 0000*C

TRANSACTION 01 PIN 5493
PROCESSED 03-17-95
SERIAL D5EDY000013

COMMENTS REGARDING PAYMENT DATA:

FOR SCHOOL USE ONLY - SCHOOL CERTIFICATION

I certify that payments to this student are correct according to the Federal Pell Grant Program regulations and statutes, instructions in the Federal Student Financial Aid Handbook, and the 1995-96 Payment Schedule.

I further certify that the student is making satisfactory academic progress in an eligible program, has signed a Statement of Educational Purpose, a Certification Statement on Refunds and Default, a Statement of Registration Status (if required), and has provided any documents for verification (if required).

I believe that the data supplied by the student, from which the Student Aid Report was produced, are accurate. I understand that my school is liable for incorrect payments made to the student, and that if I knowingly make false or misleading statements on this report, I am subject to a fine of up to $10,000, imprisonment for up to 5 years, or both, under provisions of the United States Criminal Code (including 18 U.S.C. 1001).

SIGNED BY ______________________ DATE ______________

SCHOOL NAME ______________________________________

CITY ______________________ STATE ______________

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Part 3-Payment Voucher (to be completed by the school)

1 PELL INSTITUTION ID OF CAMPUS ATTENDED

☐ Yes

2 ACADEMIC CALENDAR

☐ 1 Credit hour (nonstandard term)
☐ 2 Quarter
☐ 3 Semester
☐ 4 Trimester
☐ 5 Clock hour
☐ 6 Credit hour without terms

3 COST OF ATTENDANCE (Dollars Only)

A Standard OR B Individual

☐ A
☐ B
☐ C
☐ D
☐ E
☐ F
☐ G
☐ H
☐ I
☐ J

4 VERIFICATION STATUS

☐ **N** Not selected
☐ **A** Accurate
☐ **W** Without documentation
☐ **T** Tolerance
☐ **C** Calculated
☐ **R** Reprocessed
☐ **S** Selected, not verified

5

TERM PROGRAMS ONLY	CLOCK HOUR PROGRAMS, OR CREDIT HOUR PROGRAMS WITHOUT TERMS		TERM AND NONTERM PROGRAMS NOT USING FORMULA 1		ALL PROGRAMS
A. Enrollment Status	B. Hours/Credits expected to complete - Paid from this award year	C. Hours/Credits in program's academic year definition	D. Weeks enrolled in this award year	E. Weeks in program's academic year	F. PAYMENT METHODOLOGY
☐ 1 Full-time ☐ 2 Half-time ☐ 3 Three-quarter time ☐ 4 Other ☐ 5 Less than half-time					☐ 1 Formula 1 ☐ 2 Formula 2 ☐ 3 Formula 3 ☐ 4 Formula 4 ☐ 5 Formula 5 ☐ 6 Other

6 AMOUNT PAID TO DATE

7 REMAINING AMOUNT TO BE PAID

☐ **M** More Than a Full Academic Year

8 MONTHS IN WHICH REMAINING PAYMENTS WILL BE MADE

Number

☐ Jul
☐ Aug
☐ Sep
☐ Oct
☐ Nov
☐ Dec
☐ Jan
☐ Feb
☐ Mar
☐ Apr
☐ May
☐ Jun

9 DATE ENROLLED THIS AWARD YEAR

☐ Jul
☐ Aug
☐ Sep
☐ Oct
☐ Nov
☐ Dec
☐ Jan
☐ Feb
☐ Mar
☐ Apr
☐ May
☐ Jun

☐ 1995
☐ 1996

10 SECONDARY EFC USED

☐ 6 Secondary
☐ 1 Original

11 INCARCERATED

☐ **Y** Yes ☐ **N** No

If Yes, state where the student's correctional facility is located

PAUL MAGELLAN
512 NEW WORLD WAY
SAR VA 22309

MA 01 0000*C

MAKE NO MARKS IN THIS BOX

280684532MA1301010000 2

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Session 24 - Federal Family Education Loan Program and William D. Ford Federal Direct Loan Program

Main Objective: You will be able to identify the main procedures, provisions, requirements, and restrictions involved in the Federal Family Education Loan (FFEL) Program and the William D. Ford Federal Direct Loan (Direct Loan) Program.

OVERVIEW OF THE FFEL PROGRAM AND ITS MAJOR PROVISIONS

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 10)

The FFEL Program includes three major loan programs:

- The Federal Stafford Loan Program, which makes both subsidized and unsubsidized loans;
- The Federal PLUS Loan Program (for parent borrowers); and
- The Federal Consolidation Loan Program.

Student Eligibility

(*The 1995-96 Federal Student Financial Aid Handbook*, pages 10-9 to 10-12)

Applying for FFEL

(*The 1995-96 Federal Student Financial Aid Handbook*, pages 10-75 to 10-91)

Schools must use the 1995-96 version of the Stafford Loan "common application" for any loans certified for periods of enrollment that begin on or after July 1, 1995. A copy of the common loan application and instructions is included at the end of this session.

Required Counseling for Stafford Loans

(*The 1995-96 Federal Student Financial Aid Handbook*, pages 10-119 to 10-128)

For information on counseling requirements, see the chart on the next page.

Entrance/Exit Loan Counseling

Direct Subsidized, Direct Unsubsidized, Federal Stafford (subsidized), and Federal Unsubsidized Stafford Loans

HOW to cover:

ENTRANCE

In-person presentation or by videotaped or computer-assisted technology. Individual with Title IV expertise must be available to answer borrower questions.

Written counseling materials permissible for students enrolled in correspondence study or study-abroad programs.

*OR**

Alternate entrance counseling approach (*effective July 1, 1995) for Direct Loan borrowers only:
- written counseling material provided to first-time Direct Loan borrowers
- counseling efforts targeted to certain groups of borrowers
- entrance-counseling plan must be part of school's quality assurance plan

EXIT

In-person presentation.

Written counseling materials:
- permissible for students enrolled in correspondence study or study-abroad program
- mandatory for students who withdrew without notifying the school or failed to attend scheduled exit counseling

Provision must be made to collect required information updates for reporting to lender (FFEL Program) or ED servicer (Direct Loans).

WHEN to cover:

ENTRANCE

Prior to delivery of the first disbursement of a loan to any first-time borrower at the school

EXIT

Shortly before any borrower ceases at least half-time enrollment or (by mail) within 30 days after learning that student has withdrawn or failed to attend scheduled exit counseling

WHAT to cover:

CORE ITEMS

(required for both entrance and exit counseling)

- ✦ Remind students to keep Direct Loan Servicing Center/FFEL lender informed
- ✦ Review loan terms and conditions
- ✦ Review student rights and responsibilities
- ✦ Review available repayment options
- ✦ Review deferment, forbearance, and cancellation conditions
- ✦ Review consequences of delinquency and default
- ✦ Emphasize that loan repayment is required even if program is not completed or doesn't meet borrower's expectations
- ✦ Counsel on personal financial planning
- Provide data on students' average indebtedness and average monthly repayment

ENTRANCE

- Emphasize the importance and seriousness of the borrower's repayment obligation
- Explore all sources of aid
- Emphasize constraints on aid
- Discuss annual loan frequency and school's policy on this and how it works
- Urge students to read and save all loan documents
- Describe possible consequences of multiple borrowing
- Review requirements for satisfactory academic progress
- Review school's refund policy
- ✦ Explain sale (FFEL only) and servicing of loans

EXIT

- Review loan repayment obligations
- Provide information on debt-management strategies
- ✦ Provide name and address of borrower's Direct Loan Servicing Center and/or FFEL lender
- ✦ Obtain name and address of next of kin, borrower's expected address on leaving school, and expected employer's name and address
- ✦ Correct institutional record, if needed, for borrower's name, address, Social Security Number, references, next of kin, expected employment, and driver's license number (and state where issued)

✦ Required for schools to comply with Appendix D (Default Reduction Measures of the Student Assistance General Provisions regulations)

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FFEL Disbursement and Delivery

(*The 1995-96 Federal Student Financial Aid Handbook*, pages 10-93 to 10-99)

Repayment Terms

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 10, Sections 2, 3, and 4)

For information about repayment terms, see the chart below.

FFEL Program Repayment Plans

Standard Repayment Plan	• Fixed annual repayment amount paid over a fixed period of time[1] • Maximum repayment period 10 years[2] • $50 minimum monthly repayment
Graduated Repayment Plan	• Repayment amount changes during the repayment period[1] • Repayment amount may increase or decrease • Increase not related to individual borrower or borrower's income level • Maximum repayment period 10 years[2]
Income Sensitive Repayment Plan	• Annual adjustment made to borrower's repayment schedule • Adjustment based on amount of borrower's expected total monthly gross income from all sources during the course of the repayment[3] • Maximum repayment period 10 years[4]

[1] Number of payments or fixed monthly repayment amount may be adjusted to reflect changes in the loan's variable interest rate.

[2] Excludes any period of authorized deferment or forbearance.

[3] If borrower is married, spouse's income is not included in determining the monthly repayment.

[4] Lender must grant the borrower forbearance up to a maximum of 5 years if a decrease in the monthly repayment amount associated with an income sensitive repayment schedule would result in the loan not being repaid within the maximum 10-year repayment period.

Interest Rates

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 10, Sections 2, 3, and 4)

For information about interest rates, see the charts on pages 4 and 5.

FFEL Program and Direct Loan Program Interest Rate Provisions

	FFEL and Federal Direct Stafford/Ford Loans	PLUS Loans
Interest Rate	Variable rate; maximum annual rate 8.25%	Variable rate; maximum annual rate 9%
Interest Rate Formula	For loans first disbursed on or after 07/01/94 through 06/30/95: • Bond equivalent rate of 91-day Treasury bills auctioned at final auction prior to 06/01 plus 3.1% For loans first disbursed on or after 07/01/95 through 06/30/98: • Bond equivalent rate of 91-day Treasury bills auctioned at final auction prior to 06/01 plus 3.1% if borrower is in repayment • Bond equivalent rate of 91-day Treasury bills auctioned at final auction prior to 06/01 plus 2.5% prior to repayment	For loans first disbursed on or after 07/01/94 through 06/30/98: • Bond equivalent rate of 52-week Treasury bills auctioned at final auction prior to 06/01 plus 3.1%

FFEL Program Interest Rates Prior to July 1, 1994

Federal Stafford Loans	Federal Unsubsidized Stafford Loans	Federal PLUS Loans
• For loans to new borrowers with no outstanding FFEL balance and first disbursed on or after 10/01/92 and before 07/01/94: -- Variable rate; maximum annual rate 9%. • For loans to new borrowers with no outstanding FISL, Federal Stafford, or Federal Unsubsidized Stafford loan balance and first disbursed on or after 12/20/93 and before 07/01/94: -- Variable rate; maximum annual rate 9%. • For loans to new borrowers with any outstanding FFEL balance and first disbursed on or after 10/01/92 and before 12/20/93, annual rate of 8%. • Borrowers of Federal Stafford Loans (at 7%, 8%, 9%, or 8%/10%) and Federal Unsubsidized Stafford Loans prior to enactment of the HEA Amendments of 1992 continue to borrow at previous borrowing rate until 07/01/94. • Prior to the enactment of the HEA Amendments of 1992, different fixed-interest rate provisions applied to borrowers of subsidized Federal Stafford Loans depending on when the student first borrowed a subsidized loan. If the loan was subject to the "windfall profits" provision of the HEA (otherwise known as the excess interest rate provision), the lender was required to convert the loan to an annual variable rate loan no later than 01/01/95.	• For loans to new borrowers with no outstanding FFEL balance and first disbursed on or after 10/01/92 and before 07/01/94: -- Variable rate; maximum annual rate 9%. • For loans to new borrowers with no outstanding FISL, Federal Stafford, or Federal Unsubsidized Stafford loan balance and first disbursed on or after 12/20/93 and before 07/01/94: -- Variable rate; maximum annual rate 9%. • For loans to new borrowers with outstanding Federal SLS,[1] Federal PLUS, or Federal Consolidation Loan balance and first disbursed on or after 10/01/92 and before 07/01/94, annual rate of 8%. • Borrowers of Federal Stafford Loans (at 7%, 8%, 9%, or 8%/10%) and Federal Unsubsidized Stafford Loans prior to enactment of the HEA Amendments of 1992 continue to borrow at previous borrowing rate until 07/01/94.	• Variable rate; maximum annual rates for loans first disbursed: -- On or after 10/01/92 = 10%[2] -- On or after 07/01/87 and before 10/01/92 = 12%[2] -- On or after 11/01/82 and before 17/01/87 = 12%[3] -- On or after 10/01/81 and before 11/01/82 = 14%[3]

[1] Federal SLS Program was eliminated on July 1, 1994. With the exception of Federal SLS loans first disbursed before 10/01/92, the interest rate on a Federal SLS in repayment is the same as the interest rate on a Federal PLUS. For Federal SLS loans disbursed between 10/01/92 and 07/01/94, the interest rate is 11%.

[2] Variable interest rate applies to Federal SLS or new Federal PLUS Loans.

[3] Variable interest rate applies to any calendar year.

Grace Periods, Deferments, and Forbearance
(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 10, Sections 2, 3, and 4; for deferments, see pages 10-70 to 10-73; for forbearance, see pages 10-60 to 10-62)

For information on grace periods, see the chart below.

Grace Periods for FFEL Program Loans and Direct Loans

Federal Stafford Loan[1] and Direct Subsidized Loan[1]	Federal Unsubsidized Stafford Loan[1] and Direct Unsubsidized Loan	Federal PLUS Loan and SLS[2,3] and Direct PLUS Loan
6 months for all loans for periods of enrollment 01/01/81 and after. 9-12 months for all loans for periods of enrollment before 01/01/81.	6 months on repaying principal. Interest may be paid or accrued and capitalized during the in-school and grace periods.[4]	None. Repaying principal and interest begins on the date the loan is fully disbursed. Interest begins to accrue on the date of the loan's first disbursement. For Federal SLS borrowers and new borrowers of Federal PLUS Loans on or after 07/01/93, repayment may be deferred while the students for whom the funds are borrowed are enrolled at least half time. Interest may be capitalized.

[1] If the grace period has not already been used, the loan's grace period begins on the date the student ceases to be enrolled at least half time.

[2] The Federal SLS Program was discontinued 07/01/94.

[3] Combined Federal SLS/Federal Stafford borrowers have the option to defer Federal SLS repayment for up to 6 months after at least half-time enrollment ceases. This provision applies only when the borrower's Stafford Loans have not entered repayment.

[4] Accrued interest is added to the loan principal as the interest comes due. (This is called "capitalization.")

Cancellation
(*The 1995-96 Federal Student Financial Aid Handbook*, pages 10-62 to 10-64 and *Federal Register*, April 29, 1994, 34 CFR Part 682, Federal Family Education Loan Program)

Loan Forgiveness

(*The 1995-96 Federal Student Financial Aid Handbook*, page 10-65 and *Federal Register*, April 29, 1994, 34 CFR Part 682, Federal Family Education Loan Program)

Determining the FFEL Loan Amount

(*The 1995-96 Federal Student Financial Aid Handbook*, pages 10-65 to 10-81)

Only a subsidized Federal Stafford Loan requires a student to show financial need. Federal PLUS and unsubsidized Federal Stafford Loan awards are not limited by financial need.

THE FEDERAL FAMILY EDUCATION LOAN PROGRAM

Elimination of Federal Supplemental Loans for Students (SLS)

Federal Supplemental Loans for Students (SLS) was part of the FFEL Program. SLS was eliminated July 1, 1994; increased loan limits under unsubsidized Stafford and Direct Unsubsidized Loans take its place.

Federal Stafford Loans: Subsidized and Unsubsidized

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 10, Sections 2 and 3)

Undergraduate or graduate/professional students enrolled at least half time are eligible to apply.

At schools that participate in the Federal Pell Grant Program, Pell (gift aid) eligibility must be determined for undergraduate students who have not received a bachelor's degree before such students can apply for Federal Stafford Loans (self-help aid).

- **Maximum Loan Amounts**. These are shown in Chapter 10, page 10-50 of *The 1995-96 Federal Student Financial Aid Handbook* and in the Borrower's Rights and Responsibilities statement on page 20 of this Guide.
- **Loan Delivery**. All schools must delay delivery of a first installment of a Federal Stafford Loan until 30 days after the first day of the student's program of study, for any student who is entering the first year of a program of undergraduate education, and who has not previously received a Federal Stafford Loan.

Schools may deliver Federal Stafford Loan proceeds to other students who are officially enrolled either:

- by check, no sooner than ten days before the first day of class; *or*
- by crediting the student's account, no sooner than ten days before the first day of class.

Federal PLUS Loans

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 10, Section 4)

Federal PLUS Loans are for parents of dependent students who are enrolled at least half time in undergraduate programs. Federal PLUS Loans are not limited by EFC.

Maximum Loan Amounts. These are discussed on pages 10-35 to 10-36 of *The 1995-96 Federal Student Financial Aid Handbook.*

Loan Disbursement. A Federal PLUS Loan must be disbursed by the lender in multiple installments to the school and parents in the form of co-payable checks or electronic funds transfer.

There is no grace period. Repayment begins within 60 days after the loan is fully disbursed.

THE WILLIAM D. FORD FEDERAL DIRECT LOAN PROGRAM (DIRECT LOAN PROGRAM)

(*The 1995-96 Federal Student Financial Aid Handbook*, page 10-3; *Federal Registers*, December 1 and December 22, 1994, 34 CFR Part 685, and Federal Direct Loan Program Dear Colleague Letters, DL-94-4, February 1994 and DL-94-7, May 1994)

Goals of the Federal Direct Loan Program

On August 10, 1993, the President signed the Student Loan Reform Act of 1993, which included what is now known as the William D. Ford Federal Direct Loan Program. The goals of the Direct Loan program are to:

- create simple processes and flexible systems for borrowers and schools;
- simplify schools' administrative tasks; and
- assure superior support and customer service by the U. S. Department of Education.

Program Description

The Direct Loan Program includes:

- The Federal Direct Stafford/Ford Loan Program;
- The Federal Direct Unsubsidized Stafford/Ford Loan Program;
- The Federal Direct PLUS Loan Program; and
- The Federal Direct Consolidation Loan Program.

Comparing of the Direct Loan Program to the FFEL Program

The terms and conditions discussed earlier in the session for the FFEL Program also apply to the Direct Loan Program. The programs are very similar. The differences are in the application process, the disbursement process, the repayment plans, and the source of the funds.

The William D. Ford Federal Direct Loan Phase-In Period

The Direct Loan Program is being phased in over the course of a five-year period that began with the 1994-95 award year. By 1998-99, the government goal is for at least 60 percent of all new student loan volume to be awarded under this program.

The chart that follows outlines the phase-in period.

Schedule for Phasing In the Direct Loan Program

Award Year	Direct Loan Volume
1994-95	5% limit
1995-96	40% limit
1996-97	50% goal*
1997-98	50% goal*
1998-99	60% goal*

* May exceed this percentage if the number of eligible schools applying to participate and accepted to participate in the Direct Loan Program would cause the volume to exceed this percentage.

Application and Promissory Note for Federal Stafford Loans *(subsidized and unsubsidized)*

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties which may include fines or imprisonment under the United States Criminal Code and 20 U.S.C. 1097.

Guarantor or Program Identification

Borrower Section

Please print neatly or type. Read the instructions carefully.

1. Last Name First Name MI
2. Social Security Number
3. Permanent Street Address (If P.O. Box, see instructions.)
City State Zip Code
4. Telephone Number ( )
5. Loan Period (Month/Year) From: To:
6. Driver's License Number (List state abbreviation first.)
7. Lender Name City State Zip Code
8. Lender Code, if known
9. Date of Birth (Month/Day/Year)

10. References: You must provide two separate references with different U.S. addresses. The first reference should be a parent or legal guardian (if living). Both references must be completed fully.

	1.	2.
Name		
Permanent Address		
City, State, Zip Code		
Area Code/Telephone	( )	( )
Relationship to Borrower		

Loan Assistance Requested

11. I request the following loan type(s), to the extent I am eligible (see instructions): ☐ a. Subsidized Federal Stafford ☐ b. Unsubsidized Federal Stafford

12. I request a total amount under these loan types not to exceed (see instructions for loan maximums): My school will certify my eligibility for each loan type for which I am applying. The amount and other details of my loan(s) will be described to me in a disclosure statement. $ .00

13. If I check yes, I am requesting postponement (deferment) of repayment for my Stafford and prior SLS loan(s) during the in-school and grace periods. If I check no, I do not want to defer repayment. ☐ a. Yes, I want a deferment ☐ b. No, I do not want a deferment

14. If I check yes, I am requesting that the lender add the interest on my unsubsidized Stafford and prior SLS loan(s) which accrues during the in-school and deferment periods, to my loan principal (capitalization). If I check no, I prefer to pay the interest. ☐ a. Yes, I want my interest capitalized ☐ b. No, I prefer to pay the interest

15. If my school participates in electronic funds transfer (EFT), I authorize the school to transfer the loan proceeds received by EFT to my student account. ☐ a. Yes, transfer funds ☐ b. No, do not transfer funds

Promissory Note

Continued on the reverse side.

Promise to Pay: I promise to pay to the lender, or a subsequent holder of this Promissory Note, all sums disbursed (hereafter "loan" or "loans") under the terms of this Note, plus interest and other fees which may become due as provided in this Note. If I fail to make payments on this Note when due, I will also pay reasonable collection costs, including attorney's fees, court costs, and collection fees. I understand I may cancel or reduce the size of any loan by refusing to accept any disbursement that is issued. I understand that this is a Promissory Note. I will not sign this Note before reading it, including the writing on the reverse side, even if otherwise advised. I am entitled to an exact copy of this Promissory Note and the Borrower's Rights and Responsibilities. My signature certifies I have read, understand, and agree to the terms and conditions of this Application and Promissory Note, including the Borrower Certification and Authorization printed on the reverse side and the accompanying Borrower's Rights and Responsibilities statement.

THIS IS A LOAN(S) THAT MUST BE REPAID.

16. Borrower's Signature ____________ Today's Date *(Month/Day/Year)* ____________

School Section

To be completed by an authorized school official.

17. School Name
18. Street Address
City State Zip Code
19. Loan Period (Month/Day/Year) From: To:
20. Grade Level
21. Enrollment Status (Check one.) ☐ Full Time ☐ At Least Half Time
22. Anticipated Completion (Graduation) Date (Month/Day/Year)
23. School Code/Branch
24. Cost of Attendance $ .00
25. Federal Expected Family Contribution $ .00
26. Estimated Financial Aid $ .00
27. Certified Loan Amounts
a. Subsidized $ .00
b. Unsubsidized $ .00
28. Telephone Number ( )
29. Recommended Disbursement Date(s) (Month/Day/Year)
1st 2nd
3rd 4th
30. School Certification (See box on the reverse side.)
Signature of Authorized School Official
Print or Type Name and Title
Date
Check box if electronically transmitted to guarantor: ☐

Lender Section

To be completed by an authorized lending official.

31. Lender Name
Street Address
City State Zip Code
32. Lender Code/Branch
33. Telephone Number ( )
34. Lender Use Only
35. Amount(s) Approved
a. Subsidized $ .00 b. Unsubsidized $ .00
36. Signature of Authorized Lending Official Print or Type Name, Title, and Date

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Promissory Note *(continued)*

Disclosure of Terms

This Note applies to subsidized and unsubsidized Federal Stafford Loans. I agree that the lender or any subsequent holder may assign my loan(s) and acknowledge that either loan may be assigned independently of the other loan to which this Note applies.

At or before the time of my first disbursement, the lender will send me a disclosure statement identifying additional terms of each loan. Important additional information is also disclosed in the statement of Borrower's Rights and Responsibilities accompanying this Note.

Interest

Unless my lender notifies me in writing of a lower rate(s), the rate(s) of interest for my loan(s) are those specified in the Higher Education Act of 1965, as amended, and applicable U.S. Department of Education regulations (collectively referred to as the Act). The rate is presented in the statement of Borrower's Rights and Responsibilities.

Interest accrues on the unpaid principal balance of each loan from the date of disbursement by the lender until the entire principal balance is paid in full. I agree to pay all interest charges on my unsubsidized Federal Stafford Loan. I agree to pay all interest charges on my subsidized Federal Stafford Loan except interest payable by the federal government under the Act.

Unless I have requested that the interest that accrues on my unsubsidized Federal Stafford Loan be added to the principal balance of my loan (referred to as capitalization), I will begin paying interest upon disbursement. If I fail to make required payments of interest before the beginning of principal repayment, or during a period of authorized deferment or forbearance, I agree that the holder may capitalize such interest to the extent permitted by the Act.

Origination Fee and Guarantee Fee

For each loan, the federal government charges an origination fee equal to the amount required by the Act. The guaranty agency that guarantees my loan(s) (the guarantor) may charge a guarantee fee not to exceed a maximum amount specified in the Act. I will pay these fees, as identified in the disclosure statement, which will be deducted proportionately from each disbursement of my loan(s). I understand the origination and guarantee fees are refundable only if a disbursement is cancelled or repaid in full within 120 days of disbursement.

Late Charges and Collection Costs

If I fail to make any part of an installment payment within 10 days after it becomes due, the holder may collect from me a late charge not to exceed 6% of each late installment. If I default on a loan(s), I shall pay reasonable collection fees and costs, plus court costs and attorney fees.

Repayment

I am obligated to repay the full amount of the loan(s) and accrued interest. Federal Stafford Loans have a repayment grace period, usually until six months after I end enrollment as at least a half-time student at an eligible school. My grace period will be disclosed in my disclosure statement.

I will repay the principal of my loan(s) in periodic installments during a repayment period(s) that begins on the day immediately following the end of my grace period. My principal repayment period for each loan generally lasts five years but may not exceed 10 years, exclusive of any period of deferment or forbearance.

The holder of my loan(s) will provide me with a repayment schedule that identifies my payment amounts and due dates. The minimum annual payment required on all my Federal Stafford, PLUS, and SLS Loans is $600 or the amount of interest due and payable, whichever is larger. If I am eligible and I request it, my lender must provide me with a graduated or income-sensitive repayment schedule consistent with the provisions of the Act.

My repayment schedule may include all of my Federal Family Education Loans that are owned by the holder of this Note. I agree that the holder may grant me a forbearance for purposes of aligning payment dates on my loans or to eliminate a delinquency that persists even though I am making scheduled payments.

I may prepay all or any part of the unpaid balance on my loans at any time without penalty. If I do not specify which loans I am prepaying, the holder will determine how to apply the prepayment.

Acceleration and Default

At the option of the holder, the entire unpaid balance shall become immediately due and payable upon the occurrence of any one of the following events: (i) I fail to enroll as at least a half-time student at the school that certified my Application; (ii) I fail to use the proceeds of the loan(s) solely for educational expenses; (iii) I make a false representation(s) that results in my receiving a loan(s) for which I am not eligible; or (iv) I default on the loan(s).

The following events shall constitute a default on a loan: (i) I fail to pay the entire unpaid balance after the holder has exercised its option under the preceding paragraph; or (ii) I fail to make installment payments when due, or fail to comply with other terms of the loan(s), and the guarantor reasonably concludes I no longer intend to honor my repayment obligation, provided my failure has persisted for at least 180 days for payments due monthly or 240 days for payments due less frequently than monthly. If I default, the guarantor may purchase my loan, and capitalize all then-outstanding interest into a new principal balance, and collection fees will become immediately due and payable.

If I default, this will be reported to national credit bureau organizations and will significantly and adversely affect my credit history. I acknowledge that a default shall have additional adverse consequences to me as disclosed in the statement of Borrower's Rights and Responsibilities. Following default, the loan(s) may be subject to income-contingent repayment (including potential collection of amounts in excess of the principal and interest) in accordance with the Act.

Governing Law and Notices

The terms of this Note will be interpreted in accordance with the Higher Education Act of 1965, as amended [20 U.S.C. 1070 et seq.], other applicable federal statutes and regulations, and the guarantor's policies. Applicable state law, except as preempted by federal law, may provide for certain borrower rights, remedies, and defenses in addition to those stated in this Note.

If this loan is made by the school, or if the proceeds of this loan are used to pay tuition and charges of a for-profit school that refers loan applicants to the lender, or that is affiliated with the lender by common control, contract, or business arrangement, any holder of this Note is subject to all claims and defenses which I could assert against the school. My recovery under this provision shall not exceed the amount I paid on this loan.

If I reside in the state in which the principal office of the guarantor is located, the guarantor may sue to enforce this loan in the county in which the guarantor's office is located. However, if I object to being sued there and I mail a written objection to the guarantor that is postmarked no later than 30 days after I am served with the suit, the guarantor will either have the court transfer the suit to the county in which I live or will dismiss the lawsuit.

Any notice required to be given to me will be effective if mailed by first class mail to the latest address I have provided to the holder of this Note, or if the holder reasonably determines that this address is no longer my address, to the latest address secured by the holder from the Department of Education or other reliable source. Failure by the holder to enforce or insist on compliance with any term on this Note shall not be a waiver of any right of the holder. No provision of this Note may be modified or waived except in writing. If any provision of this Note is determined to be unenforceable, the remaining provisions shall remain in force.

Borrower Certification and Authorization

I declare under penalty of perjury that the following is true and correct:

(1) I certify that the information contained in the Borrower Section of the Application is true, complete, and correct to the best of my knowledge and belief and is made in good faith.

(2) I certify that I will immediately repay any loan proceeds that cannot reasonably be attributed to educational expenses for attendance on at least a half-time basis at the certifying school for the loan period certified on the Application.

(3) I certify that the total amount of loans I receive under this Note will not exceed the allowable maximums under the Act.

(4) I certify that I do not now owe a refund on a Federal Pell Grant, Basic Educational Opportunity Grant, Supplemental Educational Opportunity Grant, or a State Student Incentive Grant and that I am not now in default on any loan received under the Federal Perkins Loan Program (including NDSL loans), the Federal Direct Loan Program, or the Federal Family Education Loan Program (or "FFELP" as defined in the statement of Borrower's Rights and Responsibilities) or, if I am in default, I have made payment arrangements that are satisfactory to the holder.

(5) I authorize my school to pay to the holder any refund, that may be due to me, up to the amount of the loan(s).

(6) I authorize the holder(s) of my loan(s), the guarantor, or their agents, to investigate my credit record and report information concerning my loan status to proper persons and organizations.

(7) I authorize the release of information pertinent to this loan: (i) by the school, current holder, and the guarantor, or their agents, to members of my immediate family unless I submit written directions otherwise; and, (ii) by and amongst my schools, lenders, guarantors, subsequent holders, the Department of Education, and their agents.

(8) So that the loan(s) requested can be approved, I authorize the Department of Education to send any information about me that is under its control, including information from the Free Application for Federal Student Aid, to state agencies and nonprofit organizations that administer financial aid programs under the FFELP.

School Certification

I hereby certify that the borrower named on this Application is accepted for enrollment on at least a half-time basis and is making satisfactory progress in a program that is eligible for the loan type(s) certified. I certify that the student is an eligible borrower in accordance with the Act. I further certify that the borrower's eligibility for a Pell Grant has been determined, that the borrower is not incarcerated, and that the borrower has been determined eligible for loan(s) in the amount(s) certified. I further certify that the disbursement schedule complies with the requirements of the Act and hereby authorize the guarantor to adjust disbursement dates if necessary to ensure compliance with the Act. I further certify that, based on records available and due inquiry, the borrower has met the requirements of the Selective Service Act, that the borrower is not liable for an overpayment of any federal grant made under the Act, and that the information provided in the Borrower and the School Sections of the Application (including information supplied in electronic format) is true, complete, and accurate to the best of my knowledge and belief. I agree to provide the borrower with confirmation of any transfer of funds through EFT to the borrower's student account.

Instructions for Completing Federal Stafford Loan Application and Promissory Note *(subsidized and unsubsidized)*

Guarantor or Program Identification

Borrower Section *(Items 1-16 are to be completed by the student borrower.)*

Do not complete this form in pencil. Use a black ink ball point pen or typewriter. You are making several copies, so press firmly on a hard surface. If all copies are not legible, your application will be delayed. Incorrect or incomplete information may also cause your application to be delayed.

Item 1: Enter your last name, then your first name and middle initial. If this item has been completed for you and any part of your name is incorrect, cross out the incorrect information and print the correct information.

Item 2: Enter your nine-digit Social Security Number. If this item has been completed for you, review it for correctness. If it is incorrect, cross out the entire incorrect number and print the entire correct Social Security Number in this box. An application without a Social Security Number will not be processed. Read the Privacy Act and the Right to Financial Privacy Act Notices in this booklet before completing this item.

Item 3: Enter your permanent home street address, apartment number, city, state and zip code. If you have a Post Office Box and a street address, you must list both. A temporary school address is not acceptable. If this item has been completed for you and any part of your address is incorrect, cross out the incorrect information and print the correct information.

Item 4: Enter the area code and telephone number for the address listed in Item 3. If you have no telephone, enter N/A.

Item 5: Enter the beginning and ending dates (Month/Year) of the academic period for which this loan is to be used (for example, 9/94 to 6/95). These dates must not be more than 12 months apart.

Item 6: Enter your current driver's license number, listing the state that issued this license, followed by the number. If you do not have a valid driver's license, enter N/A.

Item 7: Enter the name and address of the lender from which you wish to borrow this loan. If you do not already have a lender for this loan, contact the lender where you do business, your school's financial aid office, or the guarantor or program listed in the upper right-hand corner.

Item 8: If you know the six-digit lender code, enter it here. Otherwise, leave this item blank.

Item 9: Enter the month, day and year of your birth. Use only numbers. Be careful not to enter the current year.

Item 10: Enter the requested information for two adult references with different United States addresses. References with addresses outside the U.S. are not acceptable. The first reference should be a parent or legal guardian. If both your parents or legal guardians are deceased, enter information for an adult relative. All requested items, including telephone number, must be complete or your application will be delayed. If a reference does not have a telephone, enter N/A in the appropriate space.

Item 11: Your choices in this item determine which loans you may be considered for. You should check boxes for all loan types for which you are applying. A subsidized Federal Stafford Loan is a guaranteed loan on which the federal government pays the interest while you are in school. An unsubsidized Federal Stafford Loan is a guaranteed loan on which you are responsible for paying the interest. (Refer to the statement of Borrower's Rights and Responsibilities.) Your school must determine your need for a subsidized Federal Stafford Loan before determining your need for an unsubsidized Federal Stafford Loan. Requesting a given loan type does not necessarily mean you will be eligible to receive that loan type.

> **Item 11a:** Always check this box, so that you do not disqualify yourself for a subsidized Federal Stafford Loan if you are eligible. If you check this box *only*, you will not be considered for an unsubsidized Federal Stafford Loan.
>
> **Item 11b:** Check this box if you wish to receive an unsubsidized Federal Stafford Loan. If you also apply for a subsidized Federal Stafford Loan, the school will determine your eligibility first for the subsidized Federal Stafford Loan, then for the unsubsidized Federal Stafford Loan.

Item 12: Enter the maximum total amount you wish to borrow under the loan programs you selected in Item 11. Apply only for what you will need to pay your educational expenses this year, keeping in mind your ability to repay your loan(s). You may borrow up to the loan limits described in the chart on Maximum Loan Amounts. (See Borrower's Rights and Responsibilities.) This amount will be disbursed in two or more installments based on your academic terms, or at a school without academic terms, at the beginning and midpoint of your period of enrollment. *You must initial any corrections you make in this box.*

> **Note:** *A disclosure statement will set forth the interest rate and any additional fees. This statement must be presented to you before you receive funds from your lender.*

Item 13: If you are in school on at least a half-time basis, you may be eligible for a postponement (deferment) of payments on your outstanding subsidized and unsubsidized Federal Stafford Loans and prior Federal SLS Loans. By deferring repayment of your loans, you may coordinate the repayment date for your Federal Stafford and Federal SLS Loans. If you want the deferment, check the "yes" box in this item. If you prefer to make regular payments while in school, check the "no" box. If you want to defer some, but not all of these loans, check the "no" box, then file a separate deferment form for the loan(s) you want to defer.

> **Note:** If you fail to respond to this question, it will be assumed that your answer is no.

Item 14: If you want the interest added to your loan principal, check the "yes" box (see Capitalization chart for effect on your loan balance). If you wish to pay the interest while you are in school, during any grace period or during periods of authorized deferments, check the "no" box. Even if you indicate now that you want the interest added to your loan principal (capitalization), you may make payments on your loan at any time. The federal government does not pay the interest on your unsubsidized Federal Stafford Loan or prior Federal SLS Loan while you are in school, during any grace period or during periods of deferment. Therefore, you are responsible for payment of interest during these periods. You may pay the interest to the lender during these periods or request that the lender add the interest to your loan principal no more frequently than quarterly. This increases the total amount of your debt.

> **Note:** If you fail to respond to this question, it will be assumed that your answer is no, and you will be required to make interest payments.

Item 15: Your answer to this question determines whether you wish to authorize your school to transfer your loan proceeds received by electronic funds transfer (EFT) to your student account at your school, if your school participates in EFT.

> **Note:** If your school participates in EFT and you answer no to this question, delivery of your loan proceeds may be delayed.
>
> **Item 15a:** Check this box if you authorize your school to transfer your loan proceeds received by EFT to your student account.
>
> **Item 15b:** Check this box if you do not wish to authorize your school to transfer your loan proceeds received by EFT to your student account.

Item 16: Sign your legal name, including your first name, middle initial and last name. Use a ballpoint pen. You are making several copies, so press firmly.

Enter the date you are signing the Application/Promissory Note. By signing, you:

1) Acknowledge that you have read, understand, and agree to the provisions in the Borrower Certification and Authorization section, the Promissory Note, and the statement of Borrower's Rights and Responsibilities.
2) Agree to repay the loan in full according to the terms and conditions in the Promissory Note.

> **Note:** Borrower Signature and Date are required. If you fail to sign and date the Promissory Note, your application will not be processed.

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School Section

(Items 17-30 are to be completed by the Financial Aid Administrator or other authorized school official.)

If you will be electronically transmitting this data to the guaranty agency or lender, check the box in Item 30, and leave this section blank. All data fields must be transmitted. Transmission acknowledges that you have read and agree to the provisions in the School Certification.

Only a Financial Aid Administrator or other authorized school official is to complete this section. Improperly certified information can create a financial liability for the school.

Items 17-18: Enter your school name and complete address of the office that completes this application.

Item 19: Enter the dates covered by the Cost of Attendance shown in Item 24. These dates must coincide with actual term starting and ending dates. At a school without academic terms, these dates must coincide with the borrower's program of study if that is less than an academic year in length, or the academic year. Please use numbers in a Month, Day, Year format; for example, 9/15/94.

Item 20: Indicate the academic level of the student seeking this loan. Select the proper grade level indicator using the standard grade level codes provided:

Code	Grade Level
1	Freshman/First Year (Including proprietary institution programs that are less than one year in duration)
2	Sophomore/Second Year
3	Junior/Third Year
4	Senior/Fourth Year
5	Fifth Year/Other Undergraduate (Including sixth year undergraduate and continuing education students)
A	First Year Graduate/Professional
B	Second Year Graduate/Professional
C	Third Year Graduate/Professional
D	Beyond Third Year Graduate/ Professional

Item 21: Indicate whether the student is enrolled at least half time or full time. Students enrolled less than half time are not eligible.

Item 22: This is the date the student is expected to complete the program at your institution. Please use numbers in a Month, Day, Year format; for example, 6/9/95. Day date is needed to determine the specific day the student will enter repayment (as per the Act). If you are unsure of the actual completion (graduation) date in the future, enter the last day of the month.

Item 23: Enter the assigned six- or eight-digit code for your institution. This code is provided by the U.S. Department of Education for the Federal Family Education Loan Program.

Item 24: Enter the total cost for the student's tuition and fees, room and board, books and supplies, transportation and personal expenses for the period of enrollment covered by this Application.

Item 25: Enter the amount of the Expected Family Contribution based on federal needs analysis methodology. Enter $0 for any student whose need analysis produces a negative Expected Family Contribution.

Item 26: Enter the amount of assistance, which the school knows the student has been or will be awarded, for the enrollment period indicated in Item 19. Financial aid should include aid from all federal, state or private sources, excluding the loan(s) applied for with this application.

Item 27: Enter the amount of the student's eligibility for each loan type. The student's certified eligibility must be reduced if the student is attending a program with a length of less than a full academic year, or completing the remaining balance of a program in a period of less than an academic year. The student's eligibility may also be reduced based on professional judgment. If this field is left blank, the application will be delayed.

> **Item 27a:** Certify the student's eligibility for a subsidized Federal Stafford Loan here. If the student is not eligible for a subsidized Federal Stafford Loan, enter $0.
>
> **Item 27b:** Certify the student's eligibility for an unsubsidized Federal Stafford Loan here. If the student is not eligible for an unsubsidized Federal Stafford Loan, enter $0.

Item 28: Enter the telephone number, including area code, of the school official who can answer questions about this application.

Item 29: Enter the disbursement dates for this loan(s) according to the following requirements:

1) Multiple disbursements are required unless the loan is disbursed more than halfway through the loan period or the student is attending a foreign school.
2) Schools may not request that a lender disburse loan proceeds earlier than 30 days before the first day of the loan period.
3) Disbursements for first-year, first-time borrowers must be scheduled so that the borrower does not receive the first disbursement until 30 days after the start of classes.
4) Second disbursements, if requested earlier than the midpoint of the period of enrollment, must not be disbursed earlier than 30 days before the beginning of the second term.

Item 30: Your signature acknowledges that you have read and agree to the provisions in the School Certification in the Promissory Note. You must sign the application, print your name, and provide the date of certification unless you are submitting the information electronically.

Lender Section

(Items 31-36 are to be completed by an authorized lending official.)

This section need not be completed by the lender, if the lender has made alternative arrangements with the guarantor to provide the required information.

The guarantor will not approve a loan for more than the school certifies that the borrower is eligible to receive. You will receive a notice of guarantee which discloses the amount(s) approved by the guaranty agency.

Item 31: Enter your lender name and complete address.

Item 32: Enter the assigned six-digit code for your lending institution. This code has been provided by the U.S. Department of Education for the Federal Family Education Loan Program.

Item 33: Enter the telephone number, including area code, of the lending official who can answer questions about this application.

Item 34: This item may be left blank or used by the lender as needed.

Item 35: Indicate the approved amount for each loan type. Unless you wish to reduce the amount certified by the school, enter the amounts from 27a and 27b up to the amount the borrower has requested in Item 11; or, if the School Section is marked "Electronically Transmitted" in Box 30, you may leave this field blank.

> **Item 35a:** Authorize the loan amount for a subsidized Federal Stafford Loan here. If you do not authorize a subsidized Federal Stafford Loan, enter $0.
>
> **Item 35b:** Authorize the loan amount for an unsubsidized Federal Stafford Loan here. If you do not authorize an unsubsidized Federal Stafford Loan, enter $0.

Item 36: Sign and date the application. Print or type your name and the date you are approving the application.

Equal Credit Opportunity Act Notice

The following information must be provided to an applicant when you deny a Federal Family Education Loan.

The Federal Equal Credit Opportunity Act prohibits creditors from discriminating against you on the basis of race, color, religion, national origin, sex, marital status, or age (provided that you have the capacity to enter into a binding contract); because all or part of your income derives from any public assistance program; or because you have in good faith exercised any right under the Consumer Credit Protection Act.

The names and addresses of the federal agencies which administer compliance with this law are listed below. During the course of the loan application process your lender will, upon request, inform you of the proper body which regulates the lender.

Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, DC 20551

Office of the Comptroller of the Currency
490 L'Enfant Plaza East, SW, Washington, DC 20219

Federal Deposit Insurance Corporation
550 17th Street, NW, Washington, DC 20429

Federal Home Loan Bank Board
101 Indiana Avenue, NW, Washington, DC 20552

National Credit Union Administration
2025 M Street, NW, Washington, DC 20456

Federal Trade Commission
6th Street and Pennsylvania Avenue, NW
Washington, DC 20580

Important Notices

Privacy Act Notice

The Privacy Act of 1974 (5 U.S.C. 552a) requires that the following notice be provided to you:

The authority for collecting the requested information from and about you is Section 484(a)(4)(B) of the Higher Education Act of 1965, as amended [20 U.S.C. 1091(a)(4)(B)]. You are advised that participation in the Federal Family Education Loan Program is voluntary, but the requested information is necessary for participation.

The principal purpose of this information is to verify your identity, to determine your Program eligibility and benefits, to permit the servicing of your loan(s), and, in the event it is necessary, to locate you and to collect on your loan(s) if it becomes delinquent or defaulted.

The routine uses of this information include its disclosure to federal, state, or local agencies, to private parties such as relatives, present and former employers, business and personal associates, to guaranty agencies, to credit bureau organizations, to educational and financial institutions, and to agency contractors in order to verify your identity, to determine your Program eligibility and benefits, to permit the servicing or collecting of your loan(s), to counsel you in repayment efforts, to investigate possible fraud and to verify compliance with Program regulations, or to locate you if you become delinquent in your loan(s) payments or you default.

You must provide all of the information requested in order to have your application processed.

Section 7(b) of the Privacy Act of 1974 (5 U.S.C. 552a note) requires that when any federal, state, or local government agency requests that you disclose your Social Security Number (SSN), you must also be advised whether that disclosure is mandatory or voluntary, by what statuatory or other authority your SSN is solicited, and what uses will be made of it.

Section 7(a)(2) of the Privacy Act provides that an agency may continue to require disclosure of your SSN as a condition to grant you a right, benefit, or privilege provided by law in cases in which the agency required this disclosure under statute or regulation prior to January 1, 1975, in order to verify the identity of an individual.

Disclosure of your SSN is required to participate in the Federal Family Education Loan Program.

The United States Department of Education has, for several years, consistently required the disclosure of the SSN on application forms and other necessary Federal Family Education Loan Program documents adopted pursuant to published regulations.

Your SSN will be used to verify your identity, and as an account number (identifier) throughout the life of your loan(s) in order to record necessary data accurately. As an identifier, the SSN is used in such Program activities as determining your Program eligibility, certifying your school attendance and student status, determining your eligibility for deferment of payments, determining your eligibility for disability or death claims, and for tracing and collecting from you in case you become delinquent in your loan payments or you default.

Financial Privacy Act Notice

Under the Right to Financial Privacy Act of 1978 (12 U.S.C. 3401-3421), the U.S. Department of Education will have access to financial records in your student loan file maintained by the lender in compliance with the administration of the Federal Family Education Loan Program.

Borrower's Rights and Responsibilities

Maximum Annual Loan Amounts - Federal Stafford Loans (including Federal Direct Student Loans)

Borrower's Academic Level	**Dependent* Student**	**Independent Student**				
	Sub + Unsub	Subsidized		Unsubsidized		Total Amount
First Year Undergraduate Student						
• one academic year in length	$2,625	$2,625	+	$ 4,000	=	$6,625
• 2/3 academic year in length	$1,750	$1,750	+	$ 2,500	=	$4,250
• 1/3 academic year in length	$ 875	$ 875	+	$ 1,500	=	$2,375
Second Year Undergraduate Student						
• one academic year in length	$3,500	$3,500	+	$ 4,000	=	$7,500
• 2/3 academic year in length	prorated	prorated	+	$ 2,500	=	prorated
• 1/3 academic year in length	prorated	prorated	+	$ 1,500	=	prorated
Third Year and Remaining Undergraduate Student						
• one academic year in length	$5,500	$5,500	+	$ 5,000	=	$10,500
• less than an academic year	prorated	prorated	+	prorated	=	prorated
Graduate or Professional Student	N/A	$8,500	+	$10,000	=	$18,500

* *For dependent students whose parents cannot borrow under the PLUS program, the amount a student can borrow under the unsubsidized program is the same as for an independent student*

Maximum Aggregate Loan Amounts - Federal Stafford Loans

Borrower's Academic Level	Subsidized and Unsubsidized
Dependent Undergraduate Student	$ 23,000
Independent Undergraduate Student	$ 46,000
Graduate or Professional Student	$138,500

FFELP Definition - The Federal Family Education Loan Program (FFELP) includes the subsidized Federal Stafford Loan formerly known as Guaranteed Student Loan (GSL); the former Federally Insured Student Loan (FISL); the unsubsidized Federal Stafford Loan, the Federal Supplemental Loans for Students (SLS) formerly known as ALAS; the Federal PLUS (parent) Loan and the Federal Consolidation Loan. The FFEL Program is authorized by Title IV; Part B of the Higher Education Act of 1965.

1. **Maximum Loan Amounts** - Under the Federal Stafford Loan program (including both subsidized and unsubsidized loans), I am subject to annual and aggregate loan limits that are based on my academic level, my dependency status, and the length of the academic program (refer to Maximum Loan Amounts chart). If I have received student loans from more than one lender or under the Federal Direct Student Loan Program, I am responsible for informing my school and lender of my other student loans. In some cases I may not be eligible for loans for which I have applied.

2. **Loan Proceeds** - I must use the loan money for authorized educational expenses for the school named on my Application and for the time period shown on my Application. Authorized expenses include: tuition, room, board, fees, books, supplies, equipment, dependent child care, transportation and commuting expenses. Loan proceeds may not be used to purchase or lease an automobile.

The loan money will be disbursed in a prorated amount based on the academic terms at the school. At a school without academic terms, disbursement will be made at the beginning and midpoint of my period of enrollment. If disbursed by check, the check will be sent to the school. If I approve, the loan money may be sent to the school by electronic funds transfer.

3. **Change of Status** - I must notify the financial aid office of my school if I reduce my enrollment status to less than half time, withdraw, or fail to re-enroll at the conclusion of a term. I must also notify my school of any change in my local or permanent address during enrollment. Shortly before I end enrollment, I must participate in an exit counseling session with my school during which I will update important loan records regarding my address, telephone number, future employer, and repayment plans.

Federal law also requires me to notify my lender (or any subsequent holder of my loans), in writing, if any of the following events occur before a loan is repaid:

- I change my address;
- I change my name (for example, maiden name to married name);
- I fail to enroll: A) at least half time, or B) for the loan period certified, or C) at the school that certified my Application;
- I withdraw from school or begin attending less than half time;
- I transfer from one school to another school;
- I graduate;
- I change my employer or my employer's address changes; or
- I have any other change in status that would affect my loan status (for example, the loss of eligibility for an unemployment deferment by obtaining a job).

4. **Effect of Loans on Other Student Aid** - As receipt of a loan will affect my eligibility for other student aid, it may be beneficial to determine first my eligibility for grants, work-study funds and other forms of student assistance. Before receiving a Federal Stafford Loan, I must receive a determination of my Pell Grant eligibility. My subsidized Federal Stafford Loan eligibility must be determined by my school before I accept an unsubsidized Federal Stafford Loan.

5. **Interest** - Except for interest charges the federal government will pay on my behalf for a subsidized Federal Stafford Loan, it is my responsibility to pay interest on the principal amount of my loan(s) from the date of disbursement until the loan is paid in full. The actual interest rate applicable to my loan(s) will be disclosed to me in a disclosure statement.

The interest rate will be a variable rate, adjusted annually on July 1, not to exceed 8.25%. The variable rate for each 12-month period will be equal to the bond equivalent rate of 91-day Treasury Bills auctioned at the final auction held prior to the preceding June 1, plus 3.1%.

6. **Cost of Deferring Interest Payments** - Under certain circumstances, interest charges on an unsubsidized Federal Stafford Loan or a prior Federal SLS Loan will accrue and may be capitalized (added to loan principal) during the in-school and grace period, as well as during periods of deferment and forbearance. (See Item 14 of the Application.) Capitalization may occur no more frequently than quarterly.

If I choose to defer and capitalize interest charges on an unsubsidized Federal Stafford or a prior Federal SLS Loan, this will increase the principal balance of my loan and the total amount of interest cost I incur. The chart on the next page allows me to estimate this cost and estimate the effect of capitalization on my monthly payments. If necessary, I must add two or more estimates of my payments together to approximate more closely the total monthly payment.

7. **Sale or Transfer of Loan(s)** - The lender may sell or otherwise transfer one or all of my loans without my consent. Should ownership of a loan be transferred, I will be notified of the name, address and telephone number of the new holder of my loan, if the address where I make my payment changes. Sale or transfer of my loans to a subsequent holder does not affect my rights and responsibilities.

8. **Consequences of Default** - Default is defined in the Note. If I default, the entire unpaid balance and collection fees will become immediately due and payable. Failure to repay this, or any FFELP loan, may result in any or all of the following: loss of federal and state income tax refunds, legal action, assessment of collection charges including attorney fees, loss of professional license, loss of eligibility for other student aid and assistance under most federal benefit programs, loss of eligibility for deferments, negative credit reports, and administrative wage garnishment.

9. **Credit Bureau Notification** - Information concerning the amount, disbursement, and repayment of loans will be reported to one or more national credit bureau organizations. If I default on this or any FFELP loan, this will also be reported to national credit bureaus. I will be notified at least 30 days in advance that default information will be disclosed to a credit bureau unless I enter into repayment arrangements on the loan within 30 days of the date on the notice. I will be given a chance to ask for a review of the debt before it is reported. My holder and guarantor must provide a timely response to a request from any credit organization regarding objections I might raise with that organization about the accuracy and completeness of information.

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10. Special Repayment Arrangements - A Federal Consolidation Loan Program is available under which I (or my spouse and I jointly) may consolidate into one debt federal education loans received from different lenders and/or under different education loan programs. This Program allows the repayment period to exceed the normal 10-year period and permits multiple debts to be combined into one monthly payment. For additional information, I should contact my lender(s), holder(s), or guarantor(s).

Under certain circumstances, military personnel may have their loans repaid by the Secretary of Defense in accordance with 10 U.S.C. 2141. Questions should be addressed to the local service recruiter. This is a recruiting program and does not pertain to prior service individuals or those not eligible for enlistment in the Armed Forces. *I am responsible for any payments due on my loan(s) even though I may qualify for military repayment programs.*

11. Loan Cancellation - My loan debt(s) will be cancelled if documentation of my death is submitted to the holder of my loan(s). My loan debt(s) may also be cancelled if I become permanently disabled. An application for cancellation must be submitted to the holder of my loan(s), and documentation verifying the permanent and total disability must be certified by my doctor and accepted by the holder of my loan(s).

Note: The holder of my loan(s) may not approve a request for cancellation for permanent and total disability for a condition that existed before I applied for this loan unless my doctor certifies that the condition substantially deteriorated after the loan was approved.

My loan(s) will not automatically be discharged in bankruptcy.

The Act provides for certain loan cancellations for borrowers who are unable to complete a course of study because the institution closes, or whose eligibility was falsely certified by the institution.

Neither the lender, the guarantor, nor the Department of Education vouch for the quality or suitability of the academic programs offered by participating schools. Repayment of the loans is not conditioned upon the performance of my school of attendance nor my obtaining employment in my field of study.

12. Deferments - I have a right to postpone repayment if I provide the holder of my loan(s), or its servicing agent, with a request for a deferment together with evidence that verifies my eligibility. Upon request, the holder will provide me with a deferment application that lists deferment categories and eligibility requirements. The types of deferments that are available to me depend on when I first borrowed a FFELP loan (formerly called GSL).

For Federal Stafford and Federal SLS Loans disbursed on or after July 1, 1993, to borrowers with no outstanding balance on a FFELP Loan made prior to July 1, 1993, the following types of deferments are available:

- at least half-time study at an eligible school,
- provided the program is approved by the Department of Education, pursuing a graduate fellowship program or a rehabilitation training program for individuals with disabilities,
- up to three years, while I am conscientiously seeking but unable to find full-time employment,
- up to three years, for any reason (in accordance with federal regulations) that has caused me to have an economic hardship.

Deferments for borrowers with an outstanding FFELP loan disbursed before July 1, 1993, include:

- full-time study at an eligible school or pursuit of a graduate fellowship program or a rehabilitation program for disabled individuals,
- at least half-time study at an eligible school, if I borrow a new Federal Stafford Loan during the deferment period,
- active duty status in the Armed Forces of the United States, or serving as an officer in the Commissioned Corps of the United States Public Health Service, or an active duty member of the National Oceanic and Atmospheric Administration Corps,
- serving as a full-time volunteer under the Peace Corps Act, in an ACTION Program or another comparable program determined eligible for deferment by the U.S. Department of Education,
- temporary total disability of the borrower or a dependent,
- conscientiously seeking but unable to find full-time employment in the United States,
- serving in an internship required to receive professional recognition to begin professional practice, or leading to a post-graduate degree or certificate,
- parental leave to care for a newborn or newly adopted child,
- full-time teaching in a teacher shortage area as defined by the U.S. Department of Education,
- a mother of preschool age children, who is entering or reentering the work force at a salary that is not more than one dollar above the federal minimum wage.

13. Forbearance - If I am unable to make my scheduled payments, the lender or holder of my promissory note may allow me to reduce the amount of my payment or to temporarily stop making payments as long as I intend to repay my loan. This action is called a forbearance.

During a period of forbearance, interest charges continue to accrue while I am temporarily permitted to delay or reduce payments. If I am willing, but financially unable, to make payments under my repayment schedule, I may request forbearance to allow for any of the following:

- a short period during which I make no payments,
- an extension of time for making payments, or
- a period during which I make smaller payments than were originally scheduled.

My holder is generally not required to grant a forbearance and may require me to provide my reasons for the request and other information. However, if I am serving in a medical or dental internship or residency program, my holder is required to grant me a forbearance under certain conditions. In addition, if I am serving in a national service position for which I receive a national service education award under the National and Community Service Trust Act of 1993, my holder is required to grant me a forbearance. The Act also requires forbearance when my annual debt burden for FFELP loans equals or exceeds 20% of my disposable income.

Capitalization of Unsubsidized Federal Stafford Loan Interest

What is Capitalization?

Capitalization is a process whereby a lender adds unpaid interest to the principal balance of a loan. You are responsible for paying the interest due on an unsubsidized Federal Stafford Loan from the date the lender disburses the loan until the loan is paid in full.

If you are granted a deferment (on an unsubsidized Stafford Loan) or forbearance and if you choose to defer and capitalize interest charges, the principal balance of your loan will increase each time your lender capitalizes unpaid interest. As a result, you will pay more interest charges over the life of the loan. When you leave school and begin repaying your loan, your monthly payment amount will be higher or, if your loan is subject to the $50 minimum payment, you will make more payments.

Contact your lender if you have questions or need more information.

This chart compares the monthly payments on loans where interest is paid while the borrower is in school (Option 1) and loans where the interest is capitalized (Option 2).

	Option 1: Interest Payment Made			Option 2: Interest Payment Deferred	
Loan Type	**Loan Amount**	**Monthly Interest**	**Monthly Payment***	**Interest Capitalized****	**Monthly Payment***
Unsubsidized Stafford Loan	$2,625	$15.31	$50 (67 payments)	$189	$50 (76 payments)
7% Interest	$3,500	$20.42	$50 (99 payments)	$245	$50 (114 payments)
	$5,500	$32.08	$64	$385	$68
	$6,625	$38.65	$77	$464	$82
	$7,500	$43.75	$87	$525	$93
	$8,000	$46.67	$93	$560	$99

* 120 monthly payments unless otherwise noted.

** The estimate of interest capitalized in these examples is based on quarterly capitalization over a 12-month period.

Repaying Your Loans

Follow these steps to estimate your loan payment. For subsidized Federal Stafford Loans, complete Step 3 only. The Federal government pays the interest while you are in school

Step 1: Calculate Your Monthly Interest Charges

Round your loan up to the nearest $500. If you have a variable interest rate, use 7% for Federal Stafford. If your loan amount is not on the table, follow the example below to estimate your monthly accrued interest.

Example:
Stafford Loan of $4,500 at 7% interest

$4,000 = $23.33/month
+ 500 = 2.92/month
$26.25/month

Your Monthly Interest $ ___________.

Approximate Monthly Interest

Loan Amount	6.5%	7.0%	7.5%	8.0%	8.25%
$500	$2.71	$2.92	$3.13	$3.33	$3.44
$1,000	$5.42	$5.83	$6.25	$6.67	$6.88
$2,000	$10.83	$11.67	$12.50	$13.33	$13.75
$3,000	$16.25	$17.50	$18.75	$20.00	$20.63
$3,500	$18.96	$20.42	$21.88	$23.33	$24.06
$4,000	$21.67	$23.33	$25.00	$26.67	$27.50
$5,000	$27.08	$29.17	$31.25	$33.33	$34.38
$5,500	$29.79	$32.08	$34.38	$36.67	$37.81
$6,000	$32.50	$35.00	$37.50	$40.00	$41.25
$7,000	$37.92	$40.83	$43.75	$46.67	$48.13
$8,000	$43.33	$46.67	$50.00	$53.33	$55.00
$8,500	$46.04	$49.58	$53.13	$56.67	$58.44

Step 2: Estimate Your Capitalized Interest

Complete this step only if you will capitalize interest on an unsubsidized Federal Stafford Loan. ***This is an estimate only.*** Actual interest capitalized will depend on disbursement dates, number of disbursements, the variable interest rate, and the frequency of capitalization.

	Monthly Interest (From Step One)		**Number of Months In School and Grace**		**Estimate of Capitalized Interest**
Sample	$ 26.25	X	$ 27	=	$ 709
Unsubsidized Stafford	$ ________	X	$ ________	=	$ ________

Step 3: Estimate Your Monthly Payment

Round your loan up to the nearest $500. If your principal amount is not on the table, follow the example below to estimate your monthly payment. If you previously had interest capitalized, add it to the original loan amount to get the new principal amount.

Example:
Stafford Loan of $6,500 at 7% interest

$6,000 = $69.67/month
+ 500 = 5.81/month
$75.48/month

*Minimum monthly payment = $50 or amount of interest accruing each month

Estimated Monthly Payments *(10 Year Term)*

Principal Balance	6.5%	7.0%	7.5%	8.0%	8.25%
$500*	$5.68	$5.81	$5.94	$6.07	$6.13
$1,000*	$11.35	$11.61	$11.87	$12.13	$12.27
$2,000*	$22.71	$23.22	$23.74	$24.27	$24.53
$3,000*	$34.06	$34.83	$35.61	$36.40	$36.80
$3,500*	$39.74	$40.64	$41.55	$42.46	$42.93
$4,000*	$45.42	$46.44	$47.48	$48.53	$49.06
$5,000	$56.77	$58.05	$59.35	$60.66	$61.33
$5,500	$62.45	$63.86	$65.29	$66.73	$67.46
$6,000	$68.13	$69.67	$71.22	$72.80	$73.59
$7,000	$79.48	$81.28	$83.09	$84.93	$85.86
$8,000	$90.84	$92.89	$94.96	$97.06	$98.12
$8,500	$96.52	$98.69	$100.90	$103.13	$104.25

	Loan Amount		**Estimate of Capitalized Interest (From Step Two)**		**New Principal Balance**	**Estimated Monthly Payment**
Sample	$ 4,500	+	$ 709	=	$ 5,209	$ 52
Subsidized Stafford	$ ________	+	$ - 0 -	=	$ ________	$ ________
Unsubsidized Stafford	$ ________	+	$ ________	=	$ ________	$ ________

Session 25 - Certifying and Delivering Federal Family Education Loan (FFEL) Program Loans

Main Objective: You will be able to identify required procedures for certifying applications for subsidized Federal Stafford Loans, Federal Unsubsidized Stafford Loans, and Federal PLUS Loans and for delivering loan proceeds.

CERTIFYING A FEDERAL FAMILY EDUCATION LOAN (FFEL) PROGRAM APPLICATIONS

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 10, Section 7)

Certifying the Application and Promissory Note for Federal Stafford Loans

A sample application, completed by Paul Magellan, is shown on the next page. The school's portion of the application is also in the Handbook, beginning on page 10-76.

Certifying Second or Subsequent FFEL Program Applications

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 10, Section 7)

DELIVERING FEDERAL FAMILY EDUCATION LOAN PROCEEDS

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 10, Sections 8 and 10)

See the attachment, "Principles to Determine the Frequency for Annual Loan Limits." It can be found after page 10-144.

Delivering Federal Stafford Loan Proceeds: Subsidized and Unsubsidized

See the Handbook, Chapter 10, for detailed information on delivering Stafford Loan proceeds and for loan counseling requirements.

Application and Promissory Note for Federal Stafford Loans *(subsidized and unsubsidized)*

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties which may include fines or imprisonment under the United States Criminal Code and 20 U.S.C. 1097.

Guarantor or Program Identification

Borrower Section

Please print neatly or type. Read the instructions carefully.

1. Last Name Magellan First Name Paul MI
2. Social Security Number 000-00-0000
3. Permanent Street Address (If P.O. Box, see instructions.) 512 New World Way
City Sar State VA Zip Code 22309
4. Telephone Number (703) 111-0000
5. Loan Period (Month/Year) From: 8/95 To: 5/96
6. Driver's License Number (List state abbreviation first.) VA 000-00-0000
7. Lender Name Savings Bank City Reston State VA Zip Code 22090
8. Lender Code, if known
9. Date of Birth (Month/Day/Year) 3/31/74

10. References: You must provide two separate references with different U.S. addresses. The first reference should be a parent or legal guardian (if living). Both references must be completed fully.

	1.	2.
Name	Fred Magellan	Jeffrey Adams
Permanent Address	512 New World Way	1300 Locust Ave.
City, State, Zip Code	Sar, VA 22309	Alexandria, VA 22310
Area Code/Telephone	(703) 111-0000	(703) 780-1234
Relationship to Borrower	father	friend

Loan Assistance Requested

11. I request the following loan type(s), to the extent I am eligible (see instructions): ☒ a. Subsidized Federal Stafford ☒ b. Unsubsidized Federal Stafford

12. I request a total amount under these loan types not to exceed (see instructions for loan maximums): My school will certify my eligibility for each loan type for which I am applying. The amount and other details of my loan(s) will be described to me in a disclosure statement. $ 1200.00

13. If I check yes, I am requesting postponement (deferment) of repayment for my Stafford and prior SLS loan(s) during the in-school and grace periods. If I check no, I do not want to defer repayment. ☒ a. Yes, I want a deferment ☐ b. No, I do not want a deferment

14. If I check yes, I am requesting that the lender add the interest on my unsubsidized Stafford and prior SLS loan(s) which accrues during the in-school and deferment periods, to my loan principal (capitalization). If I check no, I prefer to pay the interest. ☒ a. Yes, I want my interest capitalized ☐ b. No, I prefer to pay the interest

15. If my school participates in electronic funds transfer (EFT), I authorize the school to transfer the loan proceeds received by EFT to my student account. ☒ a. Yes, transfer funds ☐ b. No, do not transfer funds

Promissory Note

Continued on the reverse side.

Promise to Pay: I promise to pay to the lender, or a subsequent holder of this Promissory Note, all sums disbursed (hereafter "loan" or "loans") under the terms of this Note, plus interest and other fees which may become due as provided in this Note. If I fail to make payments on this Note when due, I will also pay reasonable collection costs, including attorney's fees, court costs, and collection fees. I understand I may cancel or reduce the size of any loan by refusing to accept any disbursement that is issued. I understand that this is a Promissory Note. I will not sign this Note before reading it, including the writing on the reverse side, even if otherwise advised. I am entitled to an exact copy of this Promissory Note and the Borrower's Rights and Responsibilities. My signature certifies I have read, understand, and agree to the terms and conditions of this Application and Promissory Note, including the Borrower Certification and Authorization printed on the reverse side and the accompanying Borrower's Rights and Responsibilities statement.

THIS IS A LOAN(S) THAT MUST BE REPAID.

16. Borrower's Signature Paul Magellan Today's Date *(Month/Day/Year)* 9/7/95

School Section

To be completed by an authorized school official.

17. School Name Broadway University
18. Street Address 50 Stars Street
City St. Louis State MO Zip Code 33102
19. Loan Period (Month/Day/Year) From: 8-24-95 To: 5-14-96
20. Grade Level 01
21. Enrollment Status (Check one.) ☒ Full Time ☐ At Least Half Time
22. Anticipated Completion (Graduation) Date (Month/Day/Year) 5/30/99
23. School Code/Branch 999999
24. Cost of Attendance $ 8519 .00
25. Federal Expected Family Contribution $ 0 .00
26. Estimated Financial Aid $ 6747 .00
27. Certified Loan Amounts
a. Subsidized $ 1200 .00
b. Unsubsidized $ 0 .00
28. Telephone Number (314) 555 1234
29. Recommended Disbursement Date(s) (Month/Day/Year) 1st 08/24/95 2nd 1/14/96 3rd 4th
30. School Certification (See box on the reverse side.) F.A. Archer
Signature of Authorized School Official
F A Archer
Print or Type Name and Title
9-10-95
Date
Check box if electronically transmitted to guarantor ☐

Lender Section

To be completed by an authorized lending official.

31. Lender Name
Street Address
City State Zip Code
32. Lender Code/Branch
33. Telephone Number ( )
34. Lender Use Only
35. Amount(s) Approved a. Subsidized $ .00 b. Unsubsidized $ .00
36. Signature of Authorized Lending Official Print or Type Name, Title, and Date

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Delivering Federal PLUS Loan Proceeds

See the Handbook, Chapter 10, page 10-84, for information on delivering PLUS Loan proceeds.

Other Considerations in Delivering FFEL Program Loans

See the Handbook, Chapter 10, page 10-87, for information on dealing with late disbursements. For overawards, see Session 26.

Session 26 - Overpayments and Overawards

Main Objectives: You will be able to identify the circumstances under which overpayments and overawards may occur. You will be able to recognize the procedures for handling overpayments and overawards in Title IV programs.

WORKING DEFINITIONS

Overpayments: Portions of aid, already disbursed, for which the student is not eligible and that must be returned to Title IV programs.

Overawards: Portions of aid awarded by the school, not yet disbursed, for which the student is not eligible.

FEDERAL PELL GRANT OVERPAYMENTS

How Federal Pell Grant Overpayments Occur (see *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 4, page 4-85)

Correcting Federal Pell Grant Overpayments (see *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 4, page 4-85)

Note: If the overpayment can be eliminated within the award year by reducing the student's subsequent Pell Grant payments during that award year, the school may continue to make Pell Grant (and other Title IV aid) payments to the student.

CAMPUS-BASED PROGRAM OVERAWARDS

How Campus-Based Overawards Occur (see *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 4, page 4-89 and Chapter 5, pages 5-11 to 5-15)

The overaward example is in the Handbook, Chapter 4, page 4-89.

For a list of the main resources to be considered, see the Chapter 5 of the Handbook, pages 5-11 and 5-12. Also see the detailed discussion of need-based employment earnings and veterans' educational benefits on that same page.

Correcting Campus-Based Overawards (see *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 5, pages 5-13 and 5-14)

After following the steps on page 5-13 of the Handbook, any overpayment is calculated as follows:

Overpayment = Total Resources - Need - $300

For collecting overpayments, see Chapter 5, page 5-14, of the Handbook.

OVERAWARDS OF SUBSIDIZED AND UNSUBSIDIZED FEDERAL STAFFORD LOANS

How Stafford Overawards Occur (see *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 2)

A subsidized Federal Stafford overaward occurs when the subsidized loan, combined with all other estimated financial assistance (EFA), exceeds the student's need.

An unsubsidized Federal Stafford overaward occurs when the loan, combined with all other estimated financial assistance, exceeds the cost of attendance (COA). The overaward might be caused by a student receiving additional aid that changes the estimated financial assistance after the loan already has been certified.

Correcting Stafford Overawards (see *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 10, pages 10-86 and 10-87)

The school's options vary, depending on whether the overaward is discovered before the loan money arrives (potential overaward), after it arrives (actual overaward), or after it is delivered to the student (technically not considered an overaward).

Read the description of Stan's case in Chapter 10, page 10-87, of the Handbook and answer these questions:

1. Is this a potential or actual overaward? __________

2. How else could this overaward be resolved? ______________________

____

____

____

Session 27 - Title IV Reporting Requirements

Main Objectives: You will be able to recognize the reporting requirements for Title IV programs.

OVERVIEW OF REPORTING REQUIREMENTS

See the chart on the next page.

REPORTING DEADLINES

On page 3, the main reporting deadlines are shown in calendar form.

ED/PMS REPORTS

Some larger schools report their use of Title IV funds on a monthly basis, using ED's Monthly Electronic Expenditure Reporting System (MEERS). However, most schools report on a quarterly basis, using the manual ED/PMS Reports.

The ED/PMS Reports cover use of Title IV funds in the Pell Grant Program and campus-based programs (FSEOG, FWS, and Federal Perkins Loan).

ED sends up to five different ED/PMS Reports to schools each quarter. These reports must be reconciled against school records. Some of these reports must be returned to ED, while others are only returned if there are discrepancies.

FEDERAL PELL GRANT PROGRAM REPORTING

There are three types of reports for the Federal Pell Grant Program:

- ED/PMS Reports,
- audit report, and
- Institutional Payment Summary (IPS).

Reporting Requirements for Title IV Programs

Required Reports	Federal Pell Grant	Campus-Based (FSEOG, FWS, Federal Perkins)	Federal Stafford and Federal PLUS Loans	Federal Direct Stafford/Ford and Federal Direct PLUS Loans
Institutional Payment Summary (IPS) 3 or 6 times per year (depending on school's authorization)	✓			
ED/PMS Report each quarter or MEERS each month	✓	✓		
Student Status Confirmation Report (SSCR) sent periodically by guaranty agencies* or Direct Loan Servicing Center			✓	✓
Loan Reconciliation Reporting				✓
FISAP		✓		
Annual Audits	✓	✓	✓	✓

*Note: Beginning summer 1995, NSDLS sends FFEL Program SSCRs.

Reporting Deadlines for Title IV Programs, 1995-96 Award Year

Program	July 1995	Aug	Sept	Oct	Nov	Dec	Jan 1996	Feb	Mar	Apr	May	June
All programs: annual audit reports	Program compliance audits are due within 6 months of the end of the institution's or third-party servicer's fiscal year, unless the Single Audit Act deadline applies.											
Campus-Based Programs (FSEOG, FWS, Federal Perkins Loans)	ED/PMS 272 Report *and* MEERS	Perkins Safeguard Activity Report 8/31/95 *and* MEERS	MEERS	FISAP,[4] ED/PMS 272 Report, *and* MEERS	MEERS	MEERS	ED/PMS 272 Report *and* MEERS	MEERS	MEERS	ED/PMS 272 Report *and* MEERS	MEERS	MEERS
Federal Pell Grants	ED/PMS 272 Report *and* MEERS	MEERS	MEERS	ED/PMS 272 Report *and* MEERS	MEERS	MEERS	ED/PMS 272 Report *and* MEERS	MEERS	MEERS	ED/PMS 272 Report *and* MEERS	MEERS	MEERS
"A" Schools[1,3]		IPS 8/16/95	Final IPS 9/30/95	IPS 10/15/95		IPS 12/15/95		IPS 2/15/96		IPS 4/15/96		IPS 6/15/96
"B" Schools[2,3]		IPS 8/16/95	Final IPS 9/30/95			IPS 12/15/95				IPS 4/15/96		
Federal Family Education Loans (Federal Stafford Loans and PLUS)	Student Status Confirmation Reports (SSCRs) received from guaranty agencies or ED or must be returned within 60 days of receipt. (Note: Beginning summer 1995, NSLDS sends FFEL Program SSCRs.)											
Federal Direct Loans (Federal Stafford/Ford Loans and Direct PLUS)	Student Status Confirmation Reports (SSCRs) received from the Direct Loan Servicing Center must be returned within 60 days of receipt. *and* Loan Reconciliation Reports must be returned within 30 days of school's "as-of-date."											

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[1] "A" Schools have prior-year authorizations equal to or greater than $750,000. Note: A *sixth* IPS [not shown on calendar] is due by August 15, 1996.

[2] "B" Schools have prior-year authorizations less than $750,000. Note: A *third* IPS [not shown on calendar] is due by August 15, 1996.

[3] The *final* 1995-96 IPS reporting deadline for both types of schools is September 30, 1996 [not shown on calendar].

[4] The FISAP includes the Perkins Report of Defaulted Loans, due October 1, 1995 to report on 1994-95 expenditures.

CAMPUS-BASED PROGRAM REPORTING

There are three main types of reporting for the campus-based FSEOG, FWS, and Federal Perkins Loan Programs:

- ED/PMS Reports—every quarter or every month;
- the audit report—at least once every year; and
- the FISAP—once a year.

As discussed earlier, ED/PMS Reports must be completed each quarter or each month with data for the campus-based programs and Pell Grant Program.

Schools receiving campus-based funds must submit audit reports at least every year by March 31 following the end of the award year covered by the audit.

The FISAP is the reporting document devoted exclusively to the campus-based programs.

FISCAL OPERATIONS REPORT AND APPLICATION TO PARTICIPATE (FISAP)

(*The 1995-96 Federal Student Financial Aid Handbook*, Chapter 5, pages 5-17 to 5-21)

ED sends information on filing the FISAP to schools by August 1, including detailed instructions on how to complete the electronic FISAP process. The FISAP must be submitted to ED by October 1 each year.

The Six Parts of the FISAP

Parts I and II are the application portions of the report. Parts III through VI make up the Fiscal Operations Report, with a section for each campus-based program and an overall summary of the programs.

- Part I—Identifying Information, Certifications, and Warning
- Part II—Application to Participate
- Part III—Federal Perkins Loan Fiscal Operations Report

- Part IV—Federal Supplemental Educational Opportunity Grant Fiscal Operations Report
- Part V—Federal Work-Study Program Fiscal Operations Report
- Part VI—Program Summary Fiscal Operations Report

Electronic Submission of the FISAP

Schools must submit a computer-generated electronic FISAP. To submit the electronic FISAP, either a personal computer (IBM or IBM-compatible) or a mainframe computer can be used. For personal computers, the electronic FISAP package sent from ED contains:

- Two program diskettes and one data diskette, for 5.25-inch diskette users; or one 3.5-inch diskette with both programs and data for 3.5-inch diskette users.
- The data diskette includes specific school data already entered by ED.

Electronic FISAP data are edited at your own computer. The edits include:

- general edits, such as checking that the column total entered is actually equal to the sum of the individual entries; and
- school-specific edits, such as automatic cross-checking with your school's prior year information that is included on the data diskette.

The electronic FISAP is submitted to ED by mailing the completed data diskette or by modem transmission. Only Part I of the FISAP, which includes required signatures, and the Drug-Free Workplace and Debarment Certification, which has a required signature, are sent in paper form to ED with the electronic FISAP.

FEDERAL FAMILY EDUCATION LOAN PROGRAM REPORTING

Schools have five main responsibilities for the Federal Stafford Loan and Federal PLUS programs:

- certifying eligible borrowers' loan applications, after determining need;
- receiving funds from lenders and delivering them to borrowers;

- reporting students' enrollment status (or last date of attendance) to guaranty agencies and lenders;
- reporting changes in student addresses; and
- within 60 days after the exit interview, reporting updated information about a student's future permanent address, Social Security Number, driver's license number, identity and address of expected employer, and name and address of next of kin.

There are two types of reports that schools must submit for the Federal Stafford Loan and Federal PLUS programs:

- the audit report—at least once every year, and
- Student Status Confirmation Reports—at least twice a year to guaranty agencies.

Session 28 - Financial Aid Adminstrator Presentation and Wrap Up

Main Objectives:

- You will be able to identify issues of importance to Title IV financial aid administrators.
- You will be able to provide feedback on the workshop.

GUEST PRESENTATION: "PROFESSIONAL DEVELOPMENT FOR THE FAA"

REVIEW OF TITLE IV PROGRAM DELIVERY

Financial aid administrators must continue to study, attend technical training workshops, and network with colleagues to keep their knowledge of program administration current.

An aid administrator's day often involves interacting with a wide range of individuals, as well as performing the technical work necessary to process student financial aid. All of this directly affects the entire institution because of the important role financial aid plays in helping an institution meet its goals.

EVALUATING THE WORKSHOP

Please complete the voluntary "Feedback on Training Activity" form and leave it with the instructors.

Thank you for your participation in this workshop!

APPENDICES

Appendix A — Acronyms

Appendix B — Glossary

Appendix C — Information Resources

Appendix D — Sources and Citations

Appendix E — Financial Aid Calendar

Appendix F — Crosswords and Word Searches

Appendix A - Acronyms

An asterisk (*) indicates acronyms that are no longer in use, but are provided for your information.

-A-

AAI Adjusted Available Income

AI Available Income

ACA Administrative Cost Allowance

ACH/EFT Automated Clearinghouse/Electronic Funds Transfer

ACN Audit Control Number

ACT American College Testing

ADC Aid to Dependent Children

ADP Automated Data Processing

AFDC Aid to Families with Dependent Children

AFMS* Accounting and Financial Management Service (in the U. S. Department of Education) (See *FS*)

AGI Adjusted Gross Income

AICPA American Institute of Certified Public Accountants

AICS* The Association of Independent Colleges and Schools (consolidated with NATTS in the fall of 1991 to form the CCA)

ALAS* Auxiliary Loans to Assist Students. This was a legislative title for the PLUS Program from 1981 to October 1986. However, the program continued to be referred to as PLUS. The title became obsolete after the Higher Education Amendments of 1986 became law.

APA [Educational Savings and] Asset Protection Allowance

APC Adjusted Parents' Contribution

ATB Ability to Benefit

ATI Available Taxable Income

AVR* Automated Voice Response

AY Academic Year

-B-

No entries

-C-

CAN Common Accounting Number

CAP Corrective Action Plan

CB Campus-based programs and campus-based Dear Colleague Letter

CBO Congressional Budget Office

CCA Career College Association

CEO Chief Executive Officer

CFAR* Comprehensive Financial Aid Report (American College Testing)

CFR Code of Federal Regulations

CM* Congressional Methodology

COA Cost of Attendance

COHEAO Coalition of Higher Education Assistance Organizations

C.P.A. Certified Public Accountant

CPS Central Processing System

CR Credit

CS/JLD* Community Service Job Location and Development Program (formerly a separate program, but its functions are now part of the Job Location and Development Program, under the FWS Program)

CSL* Community Service Learning Program (formerly a separate program, but its functions are now part of the FWS Program)

CSS College Scholarship Service

CT Central Time

CTI Contribution from Taxable Income

CWS* College Work-Study (now called Federal Work-Study or FWS Program)

-D-

DCL Dear Colleague Letter

DCS Debt Collection Service

DEC* Division of Eligibility and Certification (in the U. S. Department of Education; now called Institutional Participation Division)

DFAFS* Federal Assistance Financing System (a precursor to ED/PMS, administered by the U. S. Department of Health and Human Services)

DIC Dependency and Indemnity Compensation

DL Direct Loan Dear Colleague Letter

DMRS Deposit Message Retrieval System

DNW Discretionary Net Worth

DPOS* Division of Program Operations and Systems (in the U. S. Department of Education; now called Program Systems Service)

DR Debit

DRAP Default Reduction Assistance Project

-E-

EA Employment Allowance

EASFAA Eastern Association of Student Financial Aid Administrators

ED U. S. Department of Education

EDE Electronic Data Exchange

EDGAR Department of Education General Administration Regulations

ED/PMS Department of Education Payment Management System

EFA Estimated Financial Assistance

EFC Expected Family Contribution

EFN Exceptional Financial Need

EFT Electronic Funds Transfer (See also *ACH/EFT*)

EIN Entity Identification Number

ELO Expanded Lending Option

ENAS Electronic Need Analysis System (software available from ED)

EPD* Electronic Payment Data (now called Electronic Payment Information)

EPI Electronic Payment Information

EPPV Electronic Processed Payment Voucher

EPV Electronic Payment Voucher

ESAR* Electronic Student Aid Report (now called Institutional Student Information Report [ISIR])

ESOA Electronic Statement of Account

EST Eastern Standard Time

ET Eastern Time

-F-

FAA Financial Aid Administrator

FAD Final Audit Determination

FADHPS Financial Assistance for Disadvantaged Health Professions Students

FAF Financial Aid Form

FAFNAR Financial Aid Form Need Analysis Report (College Scholarship Service)

FAFSA Free Application for Federal Student Aid

FAO Financial Aid Officer

FAT Financial Aid Transcript

FC* Family Contribution (a former term for the EFC)

FCC Federal Capital Contribution

FCS Family Contribution Schedule

FDDE Floppy Disk Data Exchange

FEDWIRE (Automated FEDWIRE) U. S. Treasury Financial Communication System/Deposit Message Retrieval System; *or* Federal Reserve Communications System (not a U. S. Treasury wire transfer system)

FERPA Family Education Rights and Privacy Act

FFEL Federal Family Education Loan Program

FFY Federal Fiscal Year

FIPSE Fund for the Improvement of Postsecondary Education (in the U. S. Department of Education)

FISAP The Fiscal Operations Report and Application to Participate in the campus-based programs (Federal Perkins Loan, FSEOG, and FWS Programs)

FISL Federal Insured Student Loan (no new loans are issued, but old ones are still being collected)

FLD Final Letter of Determination

FMS* Financial Management Service for ED/PMS (in the U. S. Department of Education; formerly called Accounting and Financial Management Service [AFMS]) (See *FS*)

FO Fiscal Officer

FOS Field Operations Service (in the U. S. Department of Education)

FPL Federal Perkins Loan

FRB Federal Reserve Bank

FRCS Federal Reserve Communications System

FROE Final Report of Expenditures

FS Financial Services (in the U. S. Department of Education; formerly called Accounting and Financial Management Services [AFMS] and Financial Management Service [FMS])

FSEOG Federal Supplemental Educational Opportunity Grant (formerly SEOG)

FT Full Time

FTS Federal Telecommunications System

FWS Federal Work-Study (formerly College Work-Study, or CWS) Program

FY Fiscal Year

-G-

G Guaranty Agency Dear Colleague Letter

GA Guaranty Agency

GAO General Accounting Office

GAPSFAS Graduate and Professional School Financial Aid Service

GAS Government Auditing Standards

GED General Education Development Certificate

GEN General Dear Colleague Letter

GES General Electronic System

GLOS Guarantor and Lender Oversight Staff (in the U. S. Department of Education)

GPA Grade Point Average

GPO Government Printing Office

GSL* Guaranteed Student Loan (formerly referred to a specific type of loan, now renamed Federal Stafford Loan; also formerly used as a general term for the Stafford, SLS, PLUS, and Consolidation Loan Programs, now renamed the Federal Family Education Loan Program, or FFEL)

-H-

HBCUs Historically Black Colleges and Universities

HEA Higher Education Act of 1965, as amended

HEAF* Higher Education Assistance Foundation (defunct)

HEAL Health Education Assistance Loan

HPSL Health Professions Student Loan Program

-I-

ICC Institutional Capital Contribution

ICL* Income Contingent Loan

IDPS Institutional Default Prevention System (software available from ED)

IHE Institution of Higher Education

ILCB* Institution and Lender Certification Branch (in the U. S. Department of Education; now called Eligibility and Administrative Analysis Branch.)

IMD Institutional Monitoring Division (in the U. S. Department of Education; formerly Division of Audit and Program Review)

INS Immigration and Naturalization Service

IPA Income Protection Allowance

IPD Institutional Participation Division (in the U. S. Department of Eduuation; formerly Division of Eligibility and Certification)

IPEDS Integrated Postsecondary Education Data System, an annual report to ED filed by an institution (This was preceded by the Higher Education General Information Survey, or HEGIS, report)

IPOS Institutional Participation and Oversight Service (in the U. S. Department of Education)

IPS Institutional Payment Summary (for Federal Pell Grants)

IQAP Institutional Quality Assurance Program

IRA Individual Retirement Account

IRB Institutional Review Branch (in the U. S. Department of Education)

IRQF Information Request Form

IRS Internal Revenue Service

IRVF Information Review Form

ISIR Institutional Student Information Record

IVR Interactive Voice Response (ED/PMS) request mode

-J-

JLD Job Location and Development Programs

JTPA Job Training Partnership Act

-K-

No entries

-L-

L FFEL Loan Dear Colleague Letter for lenders

LD Limited Distribution Dear Colleague Letter

LDA Last Day of Attendance

LEEP* Law Enforcement Education Program

LOE Level of Expenditure

LS&T Limitation, Suspension, or Termination

-M-

MASFAA Midwest Association of Student Financial Aid Administrators

MDE Multiple Data Entry

MEERS Monthly Electronic Expenditure Reporting System under ED/PMS

MISAA Middle Income Student Assistance Act of 1978

-N-

NAACS National Association of Accredited Cosmetology Schools

NACCAS National Accrediting Commission of Cosmetology Arts and Sciences

NACUBO National Association of College and University Business Officers

NAS Need Analysis Servicer *or* Need Analysis System

NASEA National Association of Student Employment Administrators

NASFAA National Association of Student Financial Aid Administrators

NATTS* National Association of Trade and Technical Schools (consolidated with AICS in the fall of 1991 to form the CCA)

NCHELP National Council of Higher Education Loan Programs

NCS National Computer Systems

NDEA National Defense Education Act

NDSL National Direct Student Loan Program *or* National Defense Student Loan Program

NFC National Finance Center

NIH National Institutes of Health

NPRM Notice of Proposed Rulemaking

NRM Negotiated Rulemaking

NSF Non-Sufficient Funds

NSLDS National Student Loan Data System

NSSP National Science Scholars Program (no funding beginning 1996-97)

-O-

OC Object Classification Code

OCR Office for Civil Rights (in the U. S. Department of Education)

OGC Office of the General Counsel (in the U. S. Department of Education)

OIG Office of Inspector General (in the U. S. Department of Education)

OMB Office of Management and Budget

OPE Office of Postsecondary Education (in the U. S. Department of Education)

OPM Office of Personnel Management

OSFA* Office of Student Financial Assistance (in the U. S. Department of Education; now called Student Financial Assistance Programs [SFAP])

-P-

P Federal Pell Grant Dear Colleague Letter

PAFAA Pacific Association of Financial Aid Administrators

PAN Payee Account Number

PAS Presidential Access Scholarship

PC Parental Contribution *or* Personal Computer

PCA Parents' Contribution from Assets

PDD Policy Development Division (in the U. S. Department of Education)

PDL Program Determination Letter

PGI* Pell Grant Index (a former term for the EFC)

PGRFMS Pell Grant Recipient and Financial Management System

PHEAA Pennsylvania Higher Education Assistance Agency

PIN [Student's] Personal Identification Number *or* Payee Identification Number

P. L. Public Law

PLUS Parent Loans for Undergraduate Students (now used only as an acronym)

PMS Payment Management System

PPA Program Participation Agreement

PPV Processed Payment Voucher

PRCN Program Review Control Number

PRD Program Review Determination

PSS Program Systems Service (in the U. S. Department of Education; formerly Division of Program Operations and Systems)

PT Part Time

PTAS Policy, Training, and Analysis Service (in the U. S. Department of Education)

PV Payment Voucher (previously Payment Document)

-Q-

QA Quality Assurance

QC Quality Control

-R-

RD Regional Director

RDE Recipient Data Exchange

REPS Restored Entitlement Benefits for Survivors—Section 156

RIGA Regional Inspector General for Audit

RMASFAA Rocky Mountain Association of Student Financial Aid Administrators

RO Regional Office

ROTC Reserve Officers' Training Corps

-S-

SAI* Student Aid Index (a former term for the EFC)

SAO Statement of Account

SAP Satisfactory Academic Progress

SAR Student Aid Report

SASFAA Southern Association of Student Financial Aid Administrators

SC Student Contribution

SCA Student Contribution from Assets

SCP Scheduled Cash Payment

SEOG* Supplemental Educational Opportunity Grant (now FSEOG)

SF Standard Form

SFA Student Financial Aid (programs)

SFAP Student Financial Assistance Programs (in the U. S. Department of Education)

SG State (SSIG) Dear Colleague Letter

SIC Student's Income Contribution

SLMA Student Loan Marketing Association, also called "Sallie Mae"

SLRA Student Loan Reform Act of 1993

SLS* Federal Supplemental Loans for Students (no new loans are issued, but old loans are still being collected)

SNT Simplified Needs Test

SOA Statement of Account

SPRE State Postsecondary Review Entity

SPRP State Postsecondary Review Program

SPS Student Payment Summary

SSA Social Security Administration

SSCR Student Status Confirmation Report

SSIG State Student Incentive Grant

SSN Social Security Number

STX State and Other Tax Allowance

SWASFAA Southwestern Association of Student Financial Aid Administrators

-T-

TC Total Contribution

TFCS U. S. Treasury's Financial Communications System (This is a method to request funds under ACH/EFT in ED/PMS)

TI Total Income

TPID Training and Program Information Division (in the U. S. Department of Education)

TRIO Federal non-Title IV programs for disadvantaged students: Educational Opportunity Centers, Talent Search, Upward Bound, Upward Bound—Math/Science, Ronald E. McNair Post-Baccalaureate Achievement, Training Program for Special Programs Staff and Leadership Personnel, and Student Support Services

-U-

UM* Uniform Methodology

USAF United Student Aid Funds

U.S.C. Unitied States Code (of law).

-V-

VA U. S. Department of Veterans Affairs

VEAP Post-Vietnam Veterans Educational Assistance Program

VISTA Volunteers in Service to America

-W-

WASFAA Western Association of Student Financial Aid Administrators

-X, Y, Z-

No entries

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Appendix B - Glossary

An asterisk (*) indicates terminology that is no longer in use, or programs that have been eliminated or renamed.

-A-

Ability to Benefit (ATB) A postsecondary education eligibility standard for persons who (a) do not have a high school diploma or its recognized equivalent and (b) are beyond the age of compulsory school attendance. To be eligible to receive federal Title IV financial aid, Public Law 102-26 requires these persons to pass an independently administered test approved by the U. S. Secretary of Education.

Academic Year (AY) A time period of at least 30 instructional weeks in which a full-time undergraduate student is expected to complete:

- 24 semester or trimester hours or 36 quarter hours at an institution using credit hours in an educational program whose length is measured in credit hours, *or*
- at least 900 clock hours at an institution using clock hours.

However, there is an exception for those schools with at least a 2-year or 4-year academic program with an associate or bachelor's degree. Those schools may request, in writing, that ED reduce the minimum period of instructional time of the academic year for any of its programs as long as they are at least 26 weeks in length.

Acceptable Documentation When referring to verification, or when decisions are made about student data, this means written documents, such as U. S. income-tax returns and signed statements from the applicant and the applicant's family, that substantiate information reported on a student aid application. The Verification Guide lists documents accepted as proof that applicant data is accurate. See also *Documentation* and *Verification.*

Accepted With Assumptions A category of Federal Pell Grant processed payment data that was found to be inaccurate but for which the Pell Grant Recipient and Financial Management System (PGRFMS) made certain assumptions during processing. A school must review the records carefully and resubmit them if corrections are necessary. See also *Processed Payment Voucher.*

Accepted Without Change or Assumptions A category of Federal Pell Grant processed payment data returned to a school by the Pell Grant Recipient and Financial Management System (PGRFMS) that the school must keep on file. A school should not resubmit these records to the Central Processing System (CPS) unless the award-year data changes. See also *Processed Payment Voucher.*

Accounting Period A time period for which financial records are maintained and, at the end of which, financial statements are prepared.

Accredited Institution Any school or institution that meets standards established by a nationally recognized accrediting agency or association. See also *Accrediting Agency, Nationally Recognized Accrediting Agency or Association*, and *Preaccredited Institution.*

Accrediting Agency An agency that sets educational standards, evaluates institutions, and certifies that institutions have met its standards. See also *Nationally Recognized Accrediting Agency or Association.*

Accrual Basis The type of accounting under which incomes are recorded when earned (regardless of when cash is actually received) and expenses are recorded when liabilities are incurred (regardless of when cash is actually expended).

Accrued Salaries Wages earned by students between the date that the students were last paid and the end of the accounting period being reported, but not yet paid to the students. The unpaid wages are considered school liability.

ACH and ACH/EFT See *Automated Clearinghouse (ACH).*

Actual Interest Rate The annual interest rate a lender actually charges on a loan, which may be equal to or less than (but not more than) the loan's applicable interest rate.

Adjusted Gross Income (AGI) A specific income figure taken from a completed federal income-tax form filed in compliance with IRS regulations and guidelines.

Administrative Capability A requirement an institution must meet to participate in federal Title IV student aid programs. Administrative capability covers specific areas in the management of an institution. These areas include:

- establishing and maintaining student records and financial records,
- submitting required ED reports,
- designating a capable Title IV aid administrator at the institution,
- writing procedures for school offices involved with Title IV programs,
- communicating to the financial aid administrator all information received by any school office that might affect a student's Title IV aid eligibility,
- dividing the functions of authorizing payments and disbursing loan funds, *and*
- employing an adequate number of qualified staff.

It also includes:

- providing adequate checks and balances,
- establishing, publishing, and applying reasonable standards of satisfactory academic progress for students,
- developing an adequate system to identify and resolve inconsistent information on documents,
- providing adequate financial aid counseling,

- providing all program and fiscal reports and financial statements required for compliance, *and*
- referring any instance of suspected fraud or criminal conduct by a Title IV aid applicant to ED's Office of Inspector General.

Also, an institution must:

- not demonstrate any evidence of significant problems that affect its ability to administer Title IV funds,
- have a cohort default rate of less than 25 percent, and
- not appear to lack the ability to administer Title IV programs competently.

Administrative Cost Allowance (ACA) An amount the federal government allows an institution to offset the cost of administering a Title IV program.

Administrative Offset An offset assessed by ED against a Title IV aid school to collect program review, audit, and formal fine debts. ED will withhold a portion of a school's ED/PMS payments and apply them toward the school's debt.

Allocation A specific sum of money awarded for an institution to use during a specific period. Campus-based funds (Federal Supplemental Educational Opportunity Grant, Federal Work-Study, and Federal Perkins Loan) are allocated to an institution on an award-year basis. Allocation may also be referred to as obligation, award, grant, or Document Number.

Allocation Order A priority list, established by ED, that states the order in which refunds are to be made to federal financial aid program accounts if a student withdraws, drops below half-time status, is expelled, or drops out during the refund period. By law, refunds must be allocated to Title IV programs in a specified order, as follows:

(1) Federal Family Education Loan (FFEL) Program

(2) William D. Ford Federal Direct Loan Program

(3) Federal Perkins Loan Program

(4) Federal Pell Grant Program

(5) Federal Supplemental Educational Opportunity Grant (FSEOG) Program

(6) All other Title IV programs

Prior to the 1994-95 award year, the order in which federal funds were refunded was determined by each school in its refund allocation policy. See also *Refund* and *Refund Allocation Policy*.

Allowances Financial modifications included in need-analysis formulas to provide for a family's non-discretionary expenses or to allow them to shelter assets or income for retirement or emergency purposes. In establishing students' costs of attendance (COA), allowances are reasonable amounts allotted by an institution to reflect most students' education expenses.

Appeal Process The process by which a student requests further consideration in the financial aid process after being denied aid.

Applicable Interest Rate The maximum annual interest rate that a lender may charge on a student loan *or* a statutory mandate of the Higher Education Act (HEA).

Applicant Roster and Tape Service See *Institutional Student Information Record (ISIR).*

Appropriation At the federal level, a Congressional legislative act allocating a specific amount of public funds to be spent for a specific purpose during a fiscal or award year. The dollar amount appropriated may be equal to or less than (but not more than) the total amount permissible under the authorizing statute. An appropriation bill originates in the House of Representatives. General appropriation acts are supposed to be approved by both houses of Congress by the seventh day after Labor Day before the start of the fiscal year to which they apply. Continuing resolutions allocate funds for expenditures when the appropriation bill for the new fiscal year has not been enacted. See also *Continuing Resolution.*

Assets Owned property that must be reported on a student financial aid application. These are financial holdings such as cash on hand in checking and savings accounts, trusts, stocks, bonds, other securities, loans receivables, real estate (excluding the home), business equipment, and business inventory.

Assignment A school's transfer of a defaulted National Defense Student Loan, National Direct Student Loan, or Federal Perkins Loan to ED for collection. Once ED accepts a loan, it acquires all rights, title, and interest on the assigned loan. In certain cases, guaranty agencies also assign defaulted loans under the FFEL Program to ED.

Audit An independent examination of a school's financial transactions, accounts, reports, and compliance with applicable laws and regulations to determine whether the institution is maintaining effective control over revenues, expenditures, assets, and liabilities; whether the institution is properly accounting for resources, liabilities, and operations; whether financial reports contain accurate, reliable, and useful financial information and are accurately presented; and whether the institution is complying with applicable laws, regulations, and ED directives. A financial audit also studies and evaluates the institution's internal accounting and administrative controls, as well as the policies, procedures, and practices used in administering student financial assistance programs. See also *Independent Audit.*

Audit Exceptions School actions found through an audit that are not in compliance with federal guidelines.

Audit Guide The reference manual designed to assist independent auditors performing audits of Title IV student financial aid programs.

Audit Report A report prepared by ED after a federal audit is performed. In a nonfederal audit, an audit report is a report prepared by an auditor or audit firm according to the guidelines provided in the *Audit Guide* and ED's Dear Colleague Letter GEN-92-17 (Non-Federal Technical Bulletin 92-1) *or* according to OMB Circulars A-128 or A-133. See also *Federal Audit.*

Audit Trail A clear (easily followed) trail that is provided by maintaining required documentation to support each school transaction that deals with receiving and spending federal funds.

Authorization (legislative) At the federal level, Congressional legislative act that establishes a program, specifies its general purpose and conduct and, unless open-ended, sets a ceiling for the dollar amount that can be used to finance it. An authorization must be enacted before dollar amounts can be appropriated for program spending.

Authorization (spending) The approved expenditure level for a program for an award year. Each award year, ED notifies each participating institution of its authorized levels of expenditures for the Federal Pell Grant and Federal Perkins Loan Programs. See also *Official Notice of Funding* and *Statement of Account (SOA).*

Automated Clearinghouse (ACH) A nationwide, electronic financial network providing a paperless, efficient means of making payments by electronically transmitting debits and credits through the Federal Reserve Communications System. ACH payments offer a wide range of applications, including direct deposit and preauthorized debits. Also referred to as Automated Clearinghouse/Electronic Funds Transfer (ACH/EFT).

Automated FEDWIRE System A new process that allows schools receiving funds by FEDWIRE to place payment requests via a personal computer directly into the ED/PMS. This system provides payments to be made the same day, provides payments to be made the next day, or warehouses a payment request for up to 30 days. See also *FEDWIRE.*

Automatic Zero EFC (Expected Family Contribution) As a result of the Higher Education Amendments of 1992, certain students are automatically eligible for a zero EFC (Expected Family Contribution). A dependent student qualifies if the student's parents filed, or are eligible to file, an IRS Form 1040A or 1040EZ or are not required to file and the sum of both parents' adjusted gross incomes or earned incomes is $12,000 or less. An independent student with dependents other than a spouse qualifies if the student (and spouse, if applicable) filed or is eligible to file an IRS Form 1040A or 1040EZ or the student (and spouse, if applicable) is not required to file and the student's (and spouse's, if applicable) adjusted gross income(s) or earned income(s) is $12,000 or less. See also *Expected Family Contribution (EFC).*

Award A specific amount of financial assistance to pay for education costs offered to a student through one or more financial aid programs.

Award Adjustment or Revision An action by a financial aid office resulting in an increase, decrease, program-source substitution, or cancellation of a student's financial aid award. This may be necessitated by factors such as a change in the student's enrollment status or a change in the financial circumstances of the student's family or the student.

Award Letter A letter that notifies student financial aid applicants that they have qualified for financial aid and informs them about the assistance being offered. An award letter usually gives information on the types and amounts of aid offered, as well as specific loan program information, student responsibilities, and the conditions that govern the award(s). Generally, an award letter gives students the opportunity to accept or decline the offered aid.

Award Packaging See *Packaging.*

Award Year The time period from July 1 of one year through June 30 of the following year for which financial aid awards are made. The award year differs from the federal fiscal year (October 1 of one year through September 30 of the following year).

-B-

Base Year (for financial aid awards) The 12-month period ending on December 31 of the calendar year that precedes an award year. For example, calendar year 1994 is the base year for the 1995-96 award year.

Batch Report See *IPS Batch Report.*

BEOG (Basic Educational Opportunity Grant)* An undergraduate Title IV grant program, renamed Pell Grant in 1982. See *Federal Pell Grant Program.*

Bill At the federal level, proposed legislative measures before Congress are in the form of bills. They are designated as HR (House of Representatives) or S (Senate), according to the house in which they originate, and by a number assigned in the order in which they were introduced, starting from the beginning of each two-year congressional term. A bill becomes public law if approved by the Congress and signed by the President.

Billing Service A private-sector business organization that services loan accounts (billing and/or receiving) for lenders and schools. A fee is charged for the service.

Board (as in "room and board") The cost of a food allowance or meal plan. See also *Room.*

Branch Campus A location of a school that is geographically apart and independent of the school's main campus. To be independent, a location must be permanent in nature; offer courses in educational programs that lead to a degree, certificate, or other recognized educational credential; have its own faculty and administration; and have its own budget and hiring authority. Additionally, for accrediting purposes, the definition includes a location that offers at least 50 percent of an educational program. A branch campus must be individually certified to be eligible to participate in Title IV programs.

Budget Committees At the federal level, the Congressional House and Senate committees that prepare the budget resolutions determining the levels of funding for all federal programs. Each committee holds hearings and reviews projections from Executive Departments, the Office of Management and Budget, and the Congressional Budget Office. See also *Budget Resolution.*

Budget Resolution (as in first and second budget resolution) At the federal level, the Congressional measure that determines the total federal budget. The first budget resolution, generally passed in April or May, sets ceilings or spending targets for all federal programs. Its figures are not binding. The second budget resolution, generally passed in August or September, sets the limits of federal budget expenditures for the upcoming fiscal year, which starts on October 1. See also *Budget Committees.*

Business Assets Property used to operate a trade or business, including real estate, inventories, buildings, machinery and other equipment, patents, franchise rights, and copyrights. These are considered in determining a student's Expected Family Contribution (EFC) to school costs. See also *Expected Family Contribution (EFC).*

Business Office The school office responsible for an institution's financial accounting, including Title IV aid program activity. The office disburses financial aid award payments to students and student accounts and processes loan checks. At various schools, it is sometimes referred to as the fiscal office, finance office, bursar's office, treasurer's office, or student accounts office. See also *Separation of Functions.*

Robert C. Byrd Honors Scholarship A Title IV financial aid program that makes scholarships available to full-time postsecondary students with exceptional ability and promise. Students apply for the merit-based scholarships through their state education agencies.

Byrd Scholarship See *Robert C. Byrd Honors Scholarship* under "B."

-C-

Campus-Based Programs The term applied to three federal Title IV student aid programs administered on campus by eligible institutions of postsecondary education:

- the Federal Perkins Loan (FPL) Program,
- Federal Work-Study (FWS) Program, *and*
- the Federal Supplemental Educational Opportunity Grant (FSEOG) Program.

See also individual program names.

Cancellation (of a loan) This occurs when a borrower meets specific requirements that permit nullifying the borrower's obligation to repay a designated portion of principal and interest on a student loan. It may also be referred to as "discharge of a loan."

Capitalizing Interest A process in which a lender adds unpaid interest to the loan principal. Capitalizing is a way to postpone interest payment; it increases the amount of the principal and, consequently, the total amount that must be repaid.

Carry Back/Carry Forward A special provision of the Federal Work-Study (FWS) Program that allows an institution to transfer up to 10 percent of its annual FWS allocation back to the previous award year or forward to the next award year. In addition, as of October 1, 1992, a school may use carry back funds from the current award year to pay student wages earned from May 15 through June 30 of the previous award year. See also *Federal Work-Study (FWS) Program.*

Cash Advance A transfer of funds from a federal agency account in the U. S. Treasury through the Federal Reserve Bank to a school.

Central Processing System (CPS) See *Federal Central Processing System (CPS).*

Certificate of Citizenship A document for U. S. citizens born outside the U. S. that certifies they are U. S. citizens.

Certificate of Naturalization An Immigration and Naturalization Service (INS) document given to individuals who were not born in the U. S. when they become naturalized U. S. citizens.

Chart of Accounts A list of financial account numbers and account titles arranged in a systematic way to help institutions identify the accounts in their fiscal management system and ledgers. These accounts form the foundation for the school's Title IV reporting process.

Clock Hour The equivalent of either a 50-to 60-minute class, lecture, or recitation in a 60-minute period; or a 50-to 60-minute faculty-supervised laboratory, shop training, or internship in a 60-minute period; or 60 minutes of preparation in a program of study by correspondence. Compare *Credit Hour*.

Clock-Hour Schools Institutions that measure academic programs in clock hours. See also *Academic Year* and *Clock Hour*. Compare *Credit Hour* and *Credit-Hour Schools*.

Code of Federal Regulations (CFR) The compilation of all federal laws, regulations, and procedural rules. Regulations implementing Title IV financial aid programs appear in 34 CFR.

Cohort Default Rate For the Federal Perkins Loan and Federal Stafford Loan Programs, the percentage of an institution's current and former students who entered student-loan repayment in a specific fiscal year on loans received for attendance at that institution and who defaulted before the end of the following fiscal year. For any fiscal year in which fewer than 30 students entered repayment, the percentage is determined on the basis of students who entered repayment as described above in any of the three most recent fiscal years and who defaulted before the end of the fiscal year immediately following the year they entered repayment. See also *Default*.

Collection Agency A private-sector business organization that attempts to collect on delinquent or defaulted student loans referred to it by a lender or school. A fee is charged for the service.

Collection Costs Reasonable costs incurred by using a collection agency or commercial skip-trace agency in an attempt to recover delinquent or defaulted student loan funds. See also *Collection Agency* and *Skip Tracing*.

College Work-Study (CWS)* See *Federal Work-Study (FWS)*.

Co-Maker Either of two individuals who are joint borrowers on a loan and who are equally liable for its repayment. Compare *Endorser*.

Comment Period A time period, usually of 45 days or 60 days, from the date a Notice of Proposed Rulemaking (NPRM) is published in the *Federal Register*. During this time, interested parties are invited to submit comments about the proposed regulations.

Comments and Responses A section of a final regulations package published in the *Federal Register* that summarizes comments received from the public about an earlier proposed version of the regulations. In U. S. Department of Education regulations, the Secretary's responses to these comments are also included in this section. (The section often is part of the Preamble that introduces the final version of the regulations; it also gives the date the rules become effective and a summary of the regulations' major provisions.) See also *Comment Period*.

Committee On the federal level, a Congressional committee made up of members of the House of Representatives and the Senate who meet to reconcile differences between the two houses' versions of a bill. Conference committee members are appointed by the Speaker of the House and the President of the Senate (the Vice-President of the United States). See also *Bill*.

Community Service/Job Location and Development (CS/JLD)Program* This was formerly a separate program, but its functions are now part of the Job Location and Development (JLD) Program in the Federal Work-Study

(FWS) Program. See also *Job Location and Development (JLD) Program*.

Community Service Learning (CSL) A part of Federal Work-Study (FWS), Community Service Learning (CSL) jobs aim to develop, improve, and expand community services for low-income individuals and families to improve the quality of their lives. See also *Federal Work-Study*.

Commuting Student A student not living in housing provided by the postsecondary institution the student is attending.

Compliance Audit See *Audit* and *Independent Audit*.

Confirmation Report See *Student Status Confirmation Report (SSCR)*.

Conflicting Information Information, held by any office in a school, that conflicts with the information on a student's application for federal student aid. Schools must have an adequate system for finding and resolving any conflicting information prior to disbursing federal aid to a student. Although this requirement is separate from verification, any such conflicting information might be an indication of additional problems and a school may, on this basis, choose to verify such a student's information. See also *Verification* and *Verification Items*.

Consolidation Loan A loan originated by the Student Loan Marketing Association (Sallie Mae) or other eligible lenders. The loan can combine multiple student loans made under Title IV programs, the Health Professions Student Loan (HPSL) Program, the Health Education Assistance Loan (HEAL) Program, and the recently included Nursing Student Loan Program (NSLP) into a single loan with one monthly payment. Delinquent or defaulted borrowers may be allowed to reenter repayment through a consolidation loan. Compare *Federal Direct Consolidation Loan*.

Continuing Resolution At the federal level, Congressional joint agreement between the House and Senate to continue appropriations for specific government agencies (at rates generally determined on the basis of previous fiscal-year appropriation levels) when Congress has not yet enacted an appropriation act for those agencies for the current fiscal year. A continuing resolution must pass both houses of Congress and be signed by the President. See also *Appropriation*.

Contribution from Earnings A percentage of a dependent student's base-year earnings that the student is expected to contribute to education costs. See also *Base Year*.

Corrective Action Plan (CAP) A written plan an institution submits to ED, as required by an ED official, a hearing official, or the U. S. Secretary of Education. In this plan, the institution explains what reasonable and appropriate steps it will take to remedy any violation(s) of applicable laws, regulations, special arrangements, agreements, or limitations on present or prior financial aid audit or program review findings.

Correspondence Course or Program A "home study" course provided by an institution to students who are not physically attending classes. If a program is part correspondence and part residential, it is considered to be a correspondence course. Some correspondence programs require a period of residential training. In some instances a telecommunication course is considered a correspondence course. See also *Telecommunication Course*.

Cost of Attendance (COA) Section 472 of the Higher Education Act sets forth specific statutory parameters for cost of attendance (COA) for Title IV aid programs. A student's cost of attendance includes tuition and fees, room and board expenses while attending school, allowances for books and supplies, transportation, loan fees (if applicable), dependent-care costs, costs related to a disability, and other miscellaneous expenses. In addition, reasonable costs for a study-abroad program and costs associated with a student's employment as part of a cooperative education program may be included. There are also special rules for less-than-half-time students and correspondence-study students. The cost of attendance is estimated by the school. The cost of attendance is compared to a student's Expected Family Contribution (EFC) to determine the student's need for aid. See also *Source Document*.

Credit Hour The unit of measuring educational credit based on the number of classroom hours per week throughout a semester, trimester, or quarter term. Compare *Clock Hour*.

Credit-Hour Schools Schools with academic programs that measure progress by completed courses assigned specific numbers of credit hours. See also *Academic Year* and *Credit Hour*. Compare *Clock Hour* and *Clock-Hour Schools*.

-D-

Debt Management Counseling Counseling for students on the subject of assuming debt and handling accumulated indebtedness. It projects expected monthly loan payments and details the length of the student-loan repayment period.

Default For Perkins Loan: Failure of a borrower to make a loan-installment payment when due or to meet other terms of the signed promissory note or written repayment agreement.

For FFEL and Direct Loans: Failure to make a loan-installment payment (a) for 180 days on a loan repayable in monthly installments or (b) for 240 days on a loan repayable in less frequent installments.

There can be serious legal consequences for student-loan defaulters. See also *Cohort Default Rate*.

Deferment (of loan) A period of postponement during which repaying loan principal is suspended as a result of the borrower meeting one or more of a number of deferment requirements established by law. Interest continues to accumulate during deferment of an unsubsidized loan. Compare *Forbearance (on a loan)*.

Delinquent Borrower A student loan borrower who failed to make a loan-installment payment by or on its due date.

Delivery In the Federal Family Education Loan Program, the process of a school transmitting loan proceeds to a borrower. See also *Disbursement*.

Deobligation Action by ED reducing all or part of an institution's allocation for a Title IV program. Deobligation usually results from an institution releasing funds back to the federal government that will not be used during the period for which the funds were allocated. See also *Allocation* and *Supplemental Appropriation*.

Departmental Scholarship An award of gift assistance specifically designated for a recipient in a particular department within the school, college, or university. It may be a need-based award, but it does not have to be.

Department of Education Payment Management System (ED/PMS) A financial management and grants payment system maintained by ED's Office of the Chief Financial Officer, Financial Services, and Financial Operations Division.

Dependents Generally, spouse, children, and/or other household members for whom the parent (or aid applicant) provides more than one-half of the financial support.

Dependent Student For the purposes of federal Title IV financial aid, a student who does not meet any of the criteria for an independent student must be classified as a dependent student. Compare *Independent Student.*

Direct Loan See *William D. Ford Federal Direct Loan Program* under "F."

Direct Loan Servicing Center ED's agent, contracted to make, disburse, collect, and serve as alternative originator for Federal Direct Loans.

Disbursement The process by which financial aid funds are paid to students for use in meeting education and related living expenses. See also *Delivery.*

Discharge See *Cancellation of a Loan.*

Discharge Due To Bankruptcy Release from a student-loan obligation by action of a bankruptcy court. For subsidized and unsubsidized Federal Staffords, Federal SLS, or Federal PLUS Loans discharged in bankruptcy, ED repays the amount owed by the borrower to the lender or guaranty agency. For Federal Perkins Loans, ED does not reimburse a school for loan cancellation because of bankruptcy.

Disclosure Statement A statement sent to the borrower by the lender before or at the time it disburses a loan, as well as at, or prior to, the beginning of the repayment period. The disclosures provide borrowers with thorough and adequate information about the terms of their loans and the consequences of default. A disclosure statement includes information such as the amount of the loan, the interest rate, fee charges, length of the grace period (if any), the maximum length of the repayment period and the minimum annual repayment amount, deferment conditions, and the definition of loan default.

Discretionary Items Applicant data items (such as untaxed income benefits, total income, or assets) used to determine a student's eligibility for federal financial aid that regulations do not require be verified. A financial aid administrator has the option to verify, on a student-by-student basis, any or all of the items. See also *Verification.*

Distribution Formula A formula that federal regulations specify be used to calculate the amounts of refunds or overpayments (repayments) that must be returned to individual Title IV programs. See also *Refund Allocation Policy* and *Repayment Allocation Policy.*

Documentation Documents or signed statements presented as evidence in support of an action affecting a student's eligibility for financial aid. See also *Acceptable Documentation.*

Drop-Out Date A student's last recorded class-attendance date that can be documented by the school; this is not necessarily the same as the withdrawal date. If a student unofficially withdraws, the drop-out date determined by class attendance must be used in calculating refund and repayment amounts. Compare *Withdrawal Date.*

Due Diligence Full and timely disclosure to student borrowers of their rights and obligations, explained during entrance and exit interviews. Also the use of extensive, persistent, and forceful procedures for servicing and collecting student loans.

Duplicate (Pell Payment Data) A category of processed payment data that represents duplicates of "accepted without change or assumption" data that an institution has already sent to the Central Processing System (CPS). The data should not be resubmitted unless the award-year data changes. See also *Processed Payment Voucher.*

-E-

Edit Checks A series of data tests on financial aid applications run by the Central Processing System (CPS). The tests look for and report incomplete or inconsistent data on applications. Edit checks (also known as edits) are a mechanism used to select applications for verification. Edit checks are also part of processing an institution's Electronic FISAP (Fiscal Operations Report and Application to Participate) and are part of the William D. Ford Federal Direct Loan Program. See also *Federal Central Processing System (CPS)* and *Verification.*

ED/PMS See *Department of Education Payment Management System (ED/PMS).*

ED/PMS 272 Report See *Quarterly Report.*

Education Benefits Funds, primarily federal, awarded to certain students—veterans, children of deceased veterans or other deceased wage earners, and students with physical handicaps—to help finance their postsecondary education. The benefits are awarded without regard to financial need.

Educational Program A legal, state-authorized postsecondary program of instruction that leads to a degree, certificate, or other recognized educational credential.

Electronic Data Exchange (EDE) An ED software system that enables institutions to transmit, receive, and correct application data, package student awards, and transmit Federal Pell Grant and William D. Ford Direct Loan payment information via a telecommunication network.

Electronic FISAP (Fiscal Operations Report and Application to Participate) The computer-based report on fiscal operations and an application to participate in campus-based programs. A school may submit the data using either a personal computer or a mainframe computer. See also *FISAP (Fiscal Operations Report and Application to Participant).*

Electronic Funds Transfer (EFT) See *Automated Clearinghouse (ACH).*

Electronic Student Aid Report (ESAR)* The Electronic Student Aid Report (ESAR) was generated by ED's Central Processing System (CPS) and made available to schools through the Electronic Data Exchange (EDE). The ESAR (or Electronic SAR) included full applicant data, information on reject reasons, comments, and assumptions; it has been replaced by the Institutional Student Information Record (ISIR). See also *Institutional Student Information Record (ISIR).*

Eligible Institution A public or private nonprofit institution of higher education, a postsecondary vocational school, or a proprietary institution of higher education that meets all the criteria to participate in Title IV student financial aid programs.

Eligible Noncitizen A student aid applicant who is not a U. S. citizen, but is eligible to receive Title IV assistance. Conditions that allow noncitizens to be considered for Title IV funds are listed in *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 2.

Eligible Program An educational program that meets the regulatory requirements for participating in Title IV programs.

Eligible Student The definition of a student eligible to receive federal financial aid from ED is discussed in detail in *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 2 and in Section 668.7 of the Student Assistance General Provisions regulations.

Emergency Action Action taken by ED against an eligible postsecondary institution. This action includes withholding funds from the institution or its students and withdrawing the authority of the institution to obligate federal funds under any or all of the Title IV student aid programs. Emergency action is taken when ED:

- receives information that the institution is violating applicable laws, regulations, special arrangements, agreements, or limitations;
- determines that the likelihood of loss to the federal government outweighs putting in place limitation, suspension, or termination procedures; and
- determines that immediate action is necessary to prevent misuse of federal funds.

See also *Limitation, Suspension, or Termination (LS&T)* and *Program Participation Agreement (PPA).*

Employment Expense An allowance in determining the Expected Family Contribution (EFC). The allowance is for additional expenses relating to employment when both parents are employed or when one parent who qualifies as a surviving spouse or as head of a household under Section 2 of the Internal Revenue Code is employed. See also *Expected Family Contribution (EFC).*

Endorser An individual who signs a promissory note agreeing to repay a loan if the borrower does not repay it. Compare *Co-Maker.*

Enrolled Completing registration requirements (except payment) at the institution the student is attending and beginning the attendance period. A correspondence school student must be accepted for admission and must complete and submit one lesson to be considered enrolled.

Enrollment Period For the Federal Family Education Loan (FFEL) and the William D. Ford Federal Direct Loan Programs, the period of time for which a borrower's loan is intended and during which a student is enrolled. For a school that uses academic terms (semester, trimester, or quarter) an enrollment period must coincide with one or more terms or with an academic year. For a school that does not use academic terms, an enrollment period must coincide with the length of a student's program of study or an academic year. Compare *Payment Period.*

Enrollment Status At those institutions using semesters, trimesters, quarters, or other academic terms and measuring progress in credit hours, enrollment status equals a student's credit-hour course load. At these schools, a full-time undergraduate student enrolls in at least 12 semester hours or 12 quarter hours each term.

At those institutions measuring progress in clock hours, enrollment status equals a student's clock-hour course load. At these schools, a full-time student receives at least 24 hours of instruction in one week.

At either type of school, student enrollment may be categorized as full-time, three-quarter-time, half-time, or less-than-half-time.

At those institutions using a combination of both credit and clock hours, enrollment status for a full-time student is any combination of credit and clock hours where the sum of the following fractions is equal to or greater than one.

- For a program using a semester, trimester, or quarter system:

$$\frac{\textit{Number of credit hours per term}}{12}$$

plus

$$\frac{\textit{Number of clock hours per week}}{24}$$

- For a program not using a semester, trimester, or quarter system:

$$\frac{\textit{Number of semester or trimester hours per academic year}}{24}$$

plus

$$\frac{\textit{Number of quarter hours per academic year}}{36}$$

plus

$$\frac{\textit{Number of clock hours per week}}{24}$$

At nonterm institutions, enrollment status for a full-time student is 24 semester hours or 36 quarter hours per academic year or the prorated equivalent for a program of less than one academic year.

Entrance Counseling (for the student borrower) Each institution participating in the Perkins, FFEL, and Direct Loan Programs (excluding PLUS and Direct PLUS Loans) must offer loan counseling to student borrowers called "initial" or "entrance" counseling. The institution must offer this counseling before delivering the first disbursement of any of these loans to a borrower at the institution. Entrance counseling covers the borrower's rights and responsibilities, the terms and conditions of the loan, the average indebtedness of the school's borrowers, and the consequences of default. Compare *Exit Counseling (for the student borrower).*

Entrance Interview (for the compliance audit) A meeting, prior to the beginning of a financial aid audit, between an auditor and school administrative officials involved in the audit. Operating rules, an agenda, and a schedule for the on-site work are established. A similar interview is conducted by a federal official prior to conducting a program review. See also *Audit.* Compare *Exit Interview (for a compliance audit).*

Estimated Financial Assistance (EFA) For purposes of determining eligibility for campus-based aid, FFEL, or Direct Loan Program loans, the estimated financial assistance (EFA) must be determined. For the period the award is made, the EFA is the estimated amount of assistance that an institution is aware a student will be awarded or has been awarded in federal, state, or privately supported scholarship, grant, work, or loan programs, including veterans education benefits and Social Security benefits. The EFA must also include the estimated amount of other federal student financial aid that the student would be expected to receive if the student applied for it, whether or not the student has applied for that aid.

Exit Counseling (for the student borrower) Each institution participating in the Federal Perkins, FFEL, and Federal Direct Loan Programs (excluding PLUS and Direct PLUS Loans) must offer loan counseling called "exit" counseling to student borrowers. For Federal Perkins borrowers, the interview must take place before the borrower leaves school. In the case of FFEL and Federal Direct Loan borrowers, the interview must take place shortly before the borrower ceases at least half-time enrollment. During the interview, the borrower's rights and responsibilities are reviewed, details about handling loan repayment are discussed, and the average indebtedness of the school's borrowers must be disclosed. Borrowers are also required to provide updated personal information, such as address, telephone number, employer, and driver's license number (and state of issuance). See Chapters 6 and 10 in *The 1995-96 Federal Student Financial Aid Handbook* for complete information on exit interview requirements. Compare *Entrance Counseling (for the student borrower).*

Exit Interview (for the compliance audit) A closing meeting, following completion of a financial aid audit, between an auditor and administrative officials of the school involved in the audit. General audit findings and conclusions that will be included in the audit report are discussed. A similar interview is held by a federal official after conducting a program review. See also *Audit*. Compare *Entrance Interview (for the compliance audit).*

Expected Disbursement The sum of all expected Federal Pell Grant payments to a student during an award year.

Expected Family Contribution (EFC) The figure that indicates how much of a family's financial resources should be available to help pay a student's postsecondary education expenses. This figure, determined according to a statutorily defined method known as the Federal Need Analysis Methodology, is used for all students in determining eligibility for federal Title IV student financial aid. See also *Automatic Zero EFC* and *Primary and Secondary EFCs (Expected Family Contributions).*

-F-

FAFSA (Free Application for Federal Student Aid) See *Free Application for Federal Student Aid (FAFSA)*.

FAFSA Processor An organization contracted by ED to process Free Applications for Federal Student Aid (FAFSAs), send student information to the Federal Central Processing System (CPS), and print Student Aid Reports (SARs).

Federal Audit A financial audit conducted by an office or officer of a federal agency, such as a representative from ED's Office of Inspector General.

Federal Capital Contribution (FCC) The portion of a Federal Perkins Loan fund allocated to an institution by the federal government for a specific award year. Compare *Institutional Capital Contribution (ICC).*

Federal Cash Transaction Report The quarterly or monthly financial report institutions use to report expenditures of funds received from ED. It is known as the ED/PMS 272 Report, the MEERS report, or the ED/PMS 272 Federal Cash Report. See also *Department of Education Payment Management System (ED/PMS), Monthly Electronic Expenditure Reporting System (MEERS),* and *Quarterly Report.*

Federal Central Processing System (CPS) ED's Central Processing System (CPS) analyzes information from Free Applications for Federal Student Aid (FAFSAs) and calculates the Expected Family Contributions (EFCs). A series of edits is used to check the consistency of the family-and-student-supplied information. Eligibility matches are also conducted with the U. S. Social Security Administration, the U. S. Department of Justice, the U. S. Immigration and Naturalization Service, and the U. S. Selective Service. In addition, each student is checked against ED's own student-loan-defaulter database. See also *Central Processing System (CPS), Edit Checks, Federal Output Document,* and *National Student Loan Data System (NSLDS).*

Federal Direct Consolidation Loan A loan created as part of the Student Loan Reform Act (SRLA) of 1993; it is arranged through ED's Direct Loan Servicing Center. The loan is designed to combine several federal education loans (including non-Direct loans) into a single loan with one monthly repayment. Compare *Consolidation Loan.*

Federal Direct Loan Program See *William D. Ford Federal Direct Loan Program* under "Ford."

Federal Direct PLUS Loan Parents may borrow from this education loan program on behalf of their dependent children. Loans are made directly by the federal government through the school. Compare *Federal PLUS Loan.*

Federal Direct Stafford/Ford Loan (subsidized) On the basis of student financial need, this loan program provides federally financed loans to students who are in undergraduate, graduate, or professional programs. During significant periods, such as when a borrower is in school, the federal government does not charge interest on the loan. See also *Federal Direct Unsubsidized Stafford/Ford Loan.* Compare *Federal Stafford Loan (subsidized).*

Federal Direct Unsubsidized Stafford/Ford Loan This loan program provides federally financed, low-interest loans to students who are in undergraduate, graduate, or professional programs. These loans are not based on financial need and are not government subsidized. The borrower pays the interest charges on the loan on a monthly basis or may allow the interest to accumulate and be capitalized (no more frequently than quarterly) and added to loan principal when repayment begins. See also *Capitalizing Interest* and *Federal Direct Stafford/Ford Loan (subsidized).* Compare *Unsubsidized Federal Stafford Loan.*

Federal Family Education Loan (FFEL) Program Formerly called the Guaranteed Student Loan (GSL) Program, this group of federal education loans was renamed the Federal Family Education Loan (FFEL) Program as part of the 1992 reauthorization of the Higher Education Act (HEA). The FFEL Program is made up of Federal Stafford Loans (both subsidized and unsubsidized), Federal PLUS (parent)

Loans, and Federal Consolidation Loans. All of these are long-term loans insured by state or private nonprofit guaranty agencies that are reimbursed by the federal government for all or part of the insurance claims paid to lenders. This government guarantee replaces the collateral or security usually required with long-term consumer loans.

The Federal Supplemental Loans for Students (SLS) Program, which was once part of the FFEL Program, was eliminated by legislation as of July 1, 1994. See also *Guaranteed Student Loan (GSL)* and individual loan names.

Federal Need Analysis Methodology The statutory defined formula used to determine the Expected Family Contributions (EFCs) for all students applying for federal Title IV student financial aid.

Federal Output Document The Student Aid Report (SAR) and Institutional Student Information Record (ISIR) generated by the Central Processing System (CPS) as a result of processing applicant data on the Free Application for Federal Financial Aid (FAFSA), or Renewal FAFSA.

Federal Pell Grant Payment and Disbursement Schedules Charts published annually by the U. S. Secretary of Education that determine the dollar value of student Federal Pell Grant awards on the basis of students' Expected Family Contributions (EFCs) and schools' costs of attendance (COAs).

Federal Pell Grant Program A grant program for undergraduate students who have not completed a first baccalaureate degree. It is designed to financially assist students with financial need who are the least able to contribute toward their education expenses. If students apply, meet all the eligibility criteria, and are enrolled in an eligible program at an eligible institution, they will receive Federal Pell Grants. Formerly, this grant was called the Basic Educational Opportunity Grant (BEOG); in 1982, it was renamed to honor Senator Claiborne Pell; later the word "Federal" was added to its name.

Federal Perkins Loan (FPL) Program This campus-based loan program provides low-interest student loans to undergraduate and graduate students with financial need. Formerly, it was called the National Direct Student Loan (NDSL) Program and the National Defense Student Loan Program. In 1987, it was renamed to honor Congressman Carl D. Perkins; later the word "Federal" was added to its name. See also *Campus-Based Programs*.

Federal PLUS Loan Parents may borrow from this education loan program on behalf of their dependent children. Loans are made by lenders such as banks, credit unions, or savings and loan associations. Compare *Federal Direct PLUS Loan*.

Federal Register The government publication, published each weekday (except federal holidays), that prints regulations, regulatory amendments, notices, and proposed regulatory changes for all federal executive agencies. ED sends reprints of excerpts from the *Federal Register* that pertain to federal student financial aid to all institutions participating in Title IV programs.

Federal Stafford Loan (subsidized) A loan program providing federally subsidized, low-interest loans to students in undergraduate, graduate, or professional programs. Subsidized loans are awarded on the basis of student financial need. The loan formerly was part of the Guaranteed Student Loan (GSL) Program. In 1987, it was renamed to honor Senator Robert T. Stafford; later "Federal" was added to its name. See also *Unsubsidized Federal Stafford Loan* and *Guaranteed Student Loans (GSL)*. Compare *Federal Direct Stafford/Ford Loan (subsidized)*.

The Federal Student Financial Aid Handbook An ED publication that explains procedures schools should follow in administering federal student financial aid (SFA) programs. Some of these procedures are required by laws and regulations, while other procedures are necessary for the various reporting systems of each Title IV program. The most current edition is *The 1995-96 Federal Student Financial Aid Handbook*.

Federal Supplemental Educational Opportunity Grant (FSEOG) A campus-based aid program that provides grant assistance to students with financial need who are in undergraduate programs and have not earned a bachelor's degree or first professional degree. Priority in awarding Federal Supplemental Educational Opportunity Grant (FSEOG) funds is given to students who have exceptional financial need and are Federal Pell Grant recipients. See also *Campus-Based Programs*.

Federal Supplemental Loans for Students (SLS)* The Federal Supplemental Loans for Students (SLS) Program was a Title IV aid program providing loans to students who qualified for assistance beyond the funds available to them through the Federal Stafford Loan Program. With the creation of the William D. Ford Federal Direct Loan Program, SLS was eliminated; as a result, SLS aid could not be certified for any enrollment period that began on or after July 1, 1994.

Federal Work-Study (FWS) Program A campus-based federally funded employment program that provides paid jobs for undergraduate or graduate students who need such earnings to meet a portion of their education expenses. Formerly, it was called the College Work-Study (CWS) Program. See also *Campus-Based Programs*.

FEDWIRE This system provides for the electronic transfer of funds (EFT) through the Federal Reserve Communications System (FRCS). This system differs from ACH in that funds are deposited directly into a school's deposit account the day the payment is sent through the FRCS. Financial institutions charge for this type of funds transfer. (There is no charge to a school for an ACH transfer.)

The U. S. Treasury Department's Financial Communications System (TFCS) Deposit Message Retrieval System (DMRS) uses FEDWIRE for returning funds to ED, including:

- a liability or combination of liabilities totaling $100,000 or more for a prior award year (except for some Federal Perkins Loan liabilities);
- excess cash in, or liquidation of, the Federal Perkins Loan Fund; *and*
- ED-proposed or assessed fines of $100,000 or more.

See also *Automated FEDWIRE System*. Compare *Automated Clearinghouse (ACH)*.

Fees (institutional) To be an element of a school's cost of attendance (COA), fees must be mandatory, institution-based charges required as part of a student's program of study and charged to all students in that educational program. See also *Cost of Attendance (COA).*

Final Regulations Federal government operating rules published in the *Federal Register.* Final regulations, which have the force of law, usually take effect 45 days after the date they are published. (However, there are exceptions to the 45-day period because of the master calendar of the Higher Education Act [HEA]). See also *Comment Period, Interim Final Regulations, Notice of Proposed Rulemaking (NPRM),* and *Master Calendar.*

Financial Aid Award An offer of financial aid or in-kind assistance to a student attending a postsecondary educational institution. This award may be in the form of one or more of the following types of financial aid: a repayable loan, a grant and/or scholarship, or student employment. Examples of in-kind assistance are: a tuition waiver or a fee waiver.

Financial Aid Package An assistance offer by an educational institution to a student aid applicant that consists of one or more forms of financial aid, such as loans, grants, scholarships and/or employment.

Financial Aid Transcript (FAT) A document used by educational institutions to collect data about Title IV aid and other financial aid received by a student at other educational institutions. Institutions must provide financial aid transcripts (FATs) at no charge to students and former students.

Financial Audit See *Audit* and *Independent Audit.*

Financial Need The difference between the institution's cost of attendance (COA) and what the student's family is able to pay—the Expected Family Contribution (EFC). See also *Cost of Attendance (COA)* and *Expected Family Contribution (EFC).*

Financial Responsibility An institution must show that it has the financial responsibility to participate in federal Title IV student aid programs. Financial responsibility covers general standards (as well as exceptions institutions can meet as alternatives). These standards include those for for-profit, nonprofit, and public institutions and cover the past performance of an institution or persons affiliated with an institution. For further information, refer to 34 CFR, Section 668.15, of the Student Assistance General Provisions or Chapter Two of *The Blue Book.*

Financial Statement A report prepared at the end of a school's fiscal year that provides an overview of the institution's financial activities for that fiscal year. Financial statements are audited by a Certified Public Accountant (C.P.A.) and submitted to the U. S. Department of Education in accordance with applicable regulations.

First-Time Student A student who has not previously attended at least one class at the institution or who received a 100 percent refund of his or her tuition and fees (less any permitted administrative fee) under the institution's refund policy for previous attendance at the institution. A student remains a first-time student until the student either withdraws, drops out, or is expelled from the institution after attending at least one class or completes the period of enrollment for which he or she has been charged.

Fiscal Operations Activities related to managing and completing financial transactions. Funds management, including student accounts, is the primary responsibility of an institution's business office.

FISAP (Fiscal Operations Report and Application to Participate) The annual report an institution sends to ED to report on the prior year's expenditures and apply for campus-based financial aid funds for an upcoming award year. See also *Campus-Based Programs* and *Electronic FISAP*.

Floppy Disk Data Exchange (FDDE) An automated system by which institutions can submit Federal Pell Grant payment data on IBM-compatible computer diskettes to ED. ED provides a database management system to each FDDE participant. ED returns payment data on diskette.

Forbearance (on a loan) A lender's option of allowing a *temporary* reduction in or cessation of payments of subsidized or unsubsidized Federal Stafford, Federal PLUS, or Federal Direct Loans *or* allowing an extended period for making payments *or* accepting smaller payments than were previously scheduled. Forbearance may be given for circumstances that are not covered by deferment. Interest continues to accumulate during forbearance. Compare *Deferment (of a loan)*.

William D. Ford Federal Direct Loan Program A federal program where the U. S. government provides four types of education loans to student and parent borrowers directly through schools:

- the Federal Direct Stafford/Ford (subsidized) Loan,
- the Federal Direct Unsubsidized Stafford/Ford Loan,
- the Federal Direct PLUS Loan, and
- the Federal Direct Consolidation Loan.

These loans are referred to collectively as "Direct Loans." See individual loan names.

Form G-641 The "Application for Verification of Information" from the U. S. Immigration and Naturalization Service (INS) records. It is a form letter requesting information about a student's citizenship that INS personnel complete at the student's request.

Form PMS 270 See *Reimbursement Payment Method*.

Forward Funding At the federal level, the Congressional funds appropriation in the fiscal year prior to the award year in which they will be disbursed. For example: the amount of public funds Congress allocates to Federal Pell Grant and campus-based funds to be used in the 1996-97 award year.

Free Application for Federal Student Aid (FAFSA) This ED input document is the foundation for all Title IV need analysis computations. The application form is completed by the student and family. It gathers data to calculate the Expected Family Contribution (EFC), which is used in determining eligibility for Federal Pell Grant, campus-based, Federal Stafford Loan, and Federal Direct Loan awards. See also *FAFSA (Free Application for Federal Student Aid)*, *Renewal FAFSA*, *Expected Family Contribution (EFC)*, and *Need Analysis*.

Full Data Element Formula A formula that uses the full range of data elements in calculating a student's Expected Family Contribution (EFC) under the Federal Need Analysis Methodology. Also called the "regular formula." See also *Primary and Secondary EFCs (Expected Family Contributions).*

Full-Time Student A term defined by each institution of higher education. For Title IV student aid eligibility, however, a full-time undergraduate student cannot be taking less than 12 semester, trimester, or quarter hours per academic term in institutions with standard academic terms or 24 clock hours per week in institutions that measure progress in clock hours.

-G-

General Education Development (GED) Certificate A nationally recognized equivalent of a high school diploma granted after a student has passed a standardized examination.

General Electronic Support (GES) The U. S. Department of Education's electronic data transmission network.

General Institutional Eligibility Requirements Federal regulations governing institutional eligibility to apply to participate in Title IV programs. General eligibility requirements are established by statutory definition and refer to:

- location,
- student admissions policy,
- authorization to provide a postsecondary educational program,
- accreditation,
- types, lengths, and levels of educational programs within the institution,
- the institution's type,
- the institution's control, and
- how long the institution has existed.

Gift Aid Financial aid that a student is not required to repay or earn through employment. Generally, gift aid is in the form of a grant or scholarship. Compare *Self-Help Aid.*

Grace Period The time period that begins the day a loan recipient ceases to be enrolled at least half time and ends the day before the repayment period starts.

Graduate or Professional Student Student enrolled in a program that leads to a degree higher than a baccalaureate or first professional degree. A graduate or professional student must have completed at least three years of full-time study at an institution of higher education and may not be concurrently receiving Title IV aid as an undergraduate student.

Grant (programs) Gift-aid programs that require neither repayment nor work from students. Federal Title IV grant programs include the Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), and State Student Incentive Grant (SSIG). See also individual grant program names.

Guaranteed Student Loan (GSL)* Program This term formerly was used in two ways. Collectively, Guaranteed Student Loans (GSLs) referred to the Stafford, Supplemental Loans for Students (SLS),* PLUS, and Consolidation Loan Programs, now renamed the Federal Family Education Loan (FFEL) Program. Singularly, GSL was also the original name of what is now called the Federal Stafford Loan. (The SLS Program was eliminated by legislation effective July 1, 1994.) See also *Federal Family Education Loan (FFEL) Program.*

Guaranty Agency A state agency or private, nonprofit institution or organization that administers the financial aid programs under the Federal Family Education Loan (FFEL) Program. One major function is to insure Federal Family Education Loans. Guaranty agencies are reimbursed by the federal government for all or part of the insurance claims they pay to lenders on distributed loans.

Guaranty Fee See *Insurance Premium.*

-H-

Half-Time Student For the Federal Family Education Loan (FFEL) Program, a half-time student is one who is carrying a half-time academic workload (as determined by the school), that equals at least one-half the workload of a full-time student. For the remaining Title IV programs, a student is considered half time by carrying a half-time academic workload (as determined by the school), generally equaling or exceeding the following minimum requirements:

(a) 6 semester, trimester, or quarter hours per academic term for an institution using standard terms;

(b) 12 clock hours per week for schools using clock-hour measurement;

(c) 12 semester hours or 18 quarter hours per academic year for an institution using credit hours to measure progress but not using standard academic terms; or

(d) enrollment in an eligible correspondence program requiring at least 12 hours of preparation per week.

Hand Calculation On-campus calculation (manual or by computer program) of the Expected Family Contribution (EFC), in contrast to the official EFC calculation provided by the Central Processing System (CPS). See also *Federal Central Processing System.*

Higher Education Act (HEA) of 1965, as amended Landmark national higher education legislation passed by Congress and signed by President Lyndon B. Johnson in 1965, as well as all subsequent amendments and reauthorizing (extending) legislation of the statute. Title IV of the HEA authorizes the majority of the nation's federal postsecondary student financial aid programs and mandates that they be regulated and administered by the U. S. Secretary of Education. The HEA is effective for approximately five years, requiring Congress to reauthorize it about every five years or to extend the legislation for up to one additional year. The statute's most current version, as amended, always stands as the official version of the law. See also *Reauthorization* and *Title IV Student Financial Aid.*

Higher Education Amendments of 1992 Congressional amendments and changes to the Higher Education Act (HEA) of 1965, as amended, put in place during the 1992 reauthorization of the HEA. They became federal law on July 23, 1992 when President George Bush signed the bill. Sometimes referred to as "the 1992 Amendments" or "the Amendments" in second and multiple-use references.

Higher Education Technical Amendments of 1993 Corrections to the 1992 reauthorization of the Higher Education Act (HEA).

-I-

Immediate Need A school requests funds to meet its "immediate need" for disbursing Federal Pell Grant and campus-based program awards. For schools under FEDWIRE and the Automatic Clearinghouse (ACH), "immediate need" is a three-day period. Under both FEDWIRE and ACH, recipients request funds as needed, for example, every three days, once a week, or whatever is appropriate. (Note: Immediate need does not authorize an institution to maintain a federally funded cash-on-hand balance.) See also *Automated Clearinghouse (ACH)* and *FEDWIRE*.

Incarcerated Student For purposes of institutional eligibility, a student serving in a federal, state, or local correctional facility. For purposes of Pell Grant eligibility, a student serving in a federal or state facility only. A student in a less formal arrangement, such as a halfway house, home detention, or sentenced to serve weekends only, is not considered to be incarcerated.

Income-Contingent Loan (ICL) Demonstration Project* A federal project in which ED selected ten schools as initial participants in a loan program. Yearly repayments were based on the borrower's previous year's adjusted gross income (AGI). The demonstration project ended October 1, 1993.

Independent Audit An audit conducted by an independent public accountant, as defined by the audit standards of the U. S. General Accounting Office, who has been hired by the institution. Also called a "nonfederal audit." See also *Audit* and *Independent Public Accountant (C.P.A.)*.

Independent Public Accountant (C.P.A.) An accountant who is a Certified Public Accountant (C.P.A.) or state auditor, or an accountant who was licensed before December 31, 1970 who meets the audit independence standards of the U. S. General Accounting Office. See also *Independent Audit*.

Independent Student To be classified as an independent student for federal Title IV financial aid, a student must meet one or more of the following criteria:

(a) be at least 24 years old by December 31 of the award year for which aid is sought;

(b) be an orphan or ward of the court through the age of 18;

(c) be a veteran of the Armed Forces of the United States;

(d) have legal dependents other than a spouse (for example, dependent children or an elderly dependent parent);

(e) be a graduate or professional student;

(f) be married; and/or

(g) be deemed to be independent by the school's financial aid administrator.

Compare *Dependent Student*.

Information Summary Part 1 of the Student Aid Report (SAR). This section informs students of their eligibility for a Federal Pell Grant and shows the student's Expected Family Contribution (EFC). The Information Summary becomes a part of the student's financial aid file. See also *Student Aid Report (SAR)*.

In-House Control Documents
Documents a school uses to meet recordkeeping requirements for federal financial aid programs, provide data needed for aid-related reports, and maintain a clear audit trail.

Institution of Higher Education
A public or private nonprofit educational institution located in a state, that:

(a) admits as regular students only persons with a high school diploma (or its recognized equivalent) or persons beyond the age of compulsory elementary/secondary school attendance in the state where the institution is located;

(b) is legally authorized, in the state where it offers postsecondary education, to provide a postsecondary educational program;

(c) provides a program leading to an associate, baccalaureate, graduate, or professional degree, or at least a two-year program that is acceptable for full credit toward a bachelor's degree or at least a one-year training program that leads to a degree or certificate and prepares students for gainful employment in a recognized occupation;

(d) is a public institution or a private nonprofit institution to which contributions are tax deductible under section 501(c)(3) of the Internal Revenue Code; and

(e) is accredited or preaccredited by a nationally recognized accrediting agency or association or is a public "postsecondary vocational school" approved by a state agency listed by ED as a reliable authority on the quality of public postsecondary vocational education in that state.

See also *Postsecondary Vocational Institution* and *Proprietary Institution of Higher Education.*

Institutional Capital Contribution (ICC) The portion of a school's Federal Perkins Loan fund contributed by an institution. Beginning with the 1994-95 award year, loans made with the new Federal Capital Contribution (FCC) must consist of Institutional Capital Contribution (ICC) equal to at least one-third (33 1/3 percent) of the new Federal Capital Contribution amount *or* one quarter (25 percent) of the combined FCC *plus* ICC. Compare *Federal Capital Contribution (FCC)* and *Program Participation Agreement (PPA).*

Institutional Eligibility Notice A letter sent to an institution by ED's Institutional Participation Division (IPD) designating an institution as eligible to apply to participate in federal Title IV financial aid programs. See also *Institutional Participation Division (IPD)* and *Program Participation Agreement (PPA).*

Institutional Liability Financial penalties or repayments that an institution must pay to ED as a result of incorrect institutional action or actions. A liability is the difference between the actual expenditures reported by the institution on its quarterly report (ED/PMS 272) for an Obligation Document Number for the award year and the final allowable expenditures as determined by the auditor, program reviewer, or hearing official. See also *Quarterly Report.*

Institutional Participation Division (IPD) A division in ED responsible for determining the eligibility of educational institutions to participate in federal student financial aid programs under Title IV. See also *Institutional Eligibility Notice.*

Institutional Payment Summary (IPS) A transmittal form that accompanies each individual batch of institutionally completed Federal Pell Grant Payment Vouchers. The Institutional Payment Summary (IPS) must be submitted at least once every three months, whether or not it is accompanied by Payment Vouchers. See also *IPS Batch Report* and *Payment Voucher.*

Institutional Quality Assurance . Program (IQAP) An ED quality-control program with an oversight strategy that focuses on results. Within established parameters, schools designated as Institutional Quality Assurance Program (IQAP) participants develop their own procedures for achieving award accuracy, measure the effectiveness of their systems, and design and target corrective actions through continuous improvement efforts.

Institutional Student Information Record (ISIR) The Institutional Student Information Record (ISIR) is generated by ED's Central Processing System (CPS) and is available to schools through the Electronic Data Exchange (EDE) in the form of Full Data Tapes, Full Data Magnetic Disks, or Full Data Paper Rosters. The ISIR includes full applicant data, information on reject reasons, comments, and assumptions. See also *Applicant Roster and Tape Service* and *Student Aid Report (SAR).*

Institution's Aid Disbursement/ Delivery Policy A policy specifying the earliest dates in each payment period that a school will credit aid to accounts and/or deliver aid as direct payments to students.

Institution's Aid Priority Policy A recommended written school policy clearly specifying the order in which financial aid awards will be applied to cover students' institutional charges.

Institution's Refund Policy Each school must have a refund policy that states the amount or percentage of charges to be cancelled for students who terminate their enrollment prior to the end of a payment period. The Higher Education Amendments of 1992 require a school to implement a fair and equitable refund policy. Congress made the policy requirements effective as of July 23, 1992, the date the law was enacted. Under the law, a school's policy must provide a refund of the [school's] unearned tuition, fees, room and board, and other charges assessed a student who received Title IV assistance (including Federal PLUS and Federal Direct PLUS Loans received on a student's behalf and excluding Federal Work-Study funds). Such refunds must be provided for students who fail to register for or who do not complete the attendance period for which the Title IV aid was intended.

Institution's Repayment Policy A school's consistently applied policy on the amount of non-institutional education-related expenses incurred by students for a payment period.

Insurance Premium An insurance fee charged a lender by a guaranty agency. The fee is usually passed along to the borrower. In most cases, a lender reduces the amount of the loan disbursement by the fee amount;

however, a student is still responsible for repaying the entire amount of the loan. Also known as a "guaranty fee." See also *Loan Fee* and *Origination Fee*.

Interactive Voice Response (IVR) One of two modes (the other is Operator-Assisted Mode) that schools and other ED/PMS recipients use to request funds from ED/PMS under ACH methods. When using this mode, recipients use a touch-tone telephone to request funds from ED/PMS. Compare *Operator-Assisted Mode*.

Interest (subsidized) The interest (subsidy) payment made by ED on a subsidized student loan on a borrower's behalf. ED makes the payments for certain specific periods, such as during the borrower's enrollment (at least half time), the grace period, or any deferment period. Interest subsidy is paid to the lenders of subsidized Stafford Loans during qualifying periods; the borrower is not charged interest on subsidized Direct Stafford/Ford Loans during qualifying periods.

Interest Benefits The interest (benefit) payments made by ED to a Federal Stafford Loan lender on behalf of a student. These payments are made by ED at the student's Federal Stafford Loan interest rate, but only during certain periods: the student's enrollment (at least half time), the grace period, or any authorized deferment.

Interim Disbursement A single first disbursement of Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), and/or Federal Perkins Loan funds to a student who has not completed application verification. The institution is responsible for recovering payment if the student never completes verification or if the amount for which the student is deemed eligible lessens as a result of verification. Interim disbursements are made at the discretion of the institution and are optional.

Interim Final Regulations Regulations, published in the *Federal Register*, that have the effect of law when published. Interim final regulations often are created when there is need for quick action responding to newly passed legislation. They may also be issued, pending further policy review, after a Notice of Proposed Rulemaking (NPRM) elicits comments that raise new policy questions. Compare *Final Regulations* and *Notice of Proposed Rulemaking (NPRM)*.

IPS Batch Report (Institutional Payment Summary Batch Report) A report notifying an institution that ED has completed processing its Institutional Payment Summary (IPS) submission and providing a summary report on the batch processing. It also gives the net adjustment ED made to the payment data and alerts the institution to differences between its records and the data accepted by ED. Any differences must be reconciled by the institution. See also *Institutional Payment Summary*.

-J-

Job Location and Development (JLD) Program Under the Job Location and Development (JLD) Program, an institution can use up to 10 percent or $50,000 (whichever is less) of its annual Federal Work-Study (FWS) Program allocation to expand off-campus job opportunities, including community-service jobs (CS/JLD), for its currently enrolled students. Jobs may be in either profit or nonprofit settings. Students in this program do not have to meet FWS criteria, show financial need, or meet other Title IV student eligibility criteria. See also *Federal Work-Study (FWS) Program.*

Journal A bookkeeping method of original entry, providing a chronological record of the debit and credit elements of each transaction. As transactions occur, they are entered initially into the journal. At frequent intervals, such as daily, weekly, or at least monthly, the debits and credits recorded in the journal are transferred (posted) to the individual accounts in a ledger. See also *Ledger.*

-K-

No entries

-L-

Ledger A book of accounts in which each item of a monetary nature to be included in reports issued by an organization is assigned an account. Posting from a journal to a ledger results in each account having either a debit or credit balance that is shown on a particular report listing. Separate ledgers should be maintained for each program or fund. See also *Journal.*

Legislative Amendment A revision or change in a legislative measure that adds, deletes, or rephrases a law's text.

Limitation, Suspension, or Termination (LS&T) Actions undertaken by ED against a postsecondary institution that has either:

- violated the laws or regulations governing Title IV or Title VII student financial aid programs or the Program Participation Agreement or any other agreement made under law or regulations; *or*
- substantially misrepresents the nature of its educational program, its financial charges, or the employability of its graduates.

These ED actions against the institution may include proceedings on limitation, suspension, or termination (LS&T) of the school's participation in federal student financial aid programs; the assessment of fines of up to $25,000 for each statutory or regulatory violation; and/or implementation of emergency action.

- A *limitation* means the postsecondary institution agrees to abide by certain specific restrictions or conditions in its administration of student financial aid programs so that it can continue to participate in any of those programs. A limitation lasts for at least 12 months and, if a postsecondary institution fails to abide by the conditions of the limitation, termination proceedings may be initiated.
- A *suspension* removes an institution from participating in Title IV and Title VII student financial aid programs for a period not to exceed 60 days, unless a limitation proceeding has begun. Suspension actions are used when a postsecondary institution can be expected to correct a program violation in a short time.
- A *termination* ends a postsecondary institution's participation in Title IV and Title VII programs.

A *terminated institution* can be reinstated at a later date by ED to participate in Title IV and Title VII programs. However, at least three (3) months must elapse from the school's suspension and at least eighteen (18) months must elapse from the school's limitation or termination before an institution can request reinstatement.

The request, in writing, must be sent to an Administrative Law Judge at ED. See also *Emergency Action* and *Program Participation Agreement (PPA).*

Loan An advance of funds guaranteed by a signed promissory note in which the recipient of the funds promises to repay a specified amount(s) under prescribed conditions.

Loan Disclosure Statement A statement sent to a loan borrower by the lender before or at the time it disburses a loan, and again before the start of the repayment period. The purpose of the disclosure is to provide the borrower with thorough and accurate information about the loan terms and the consequences of default. The statement includes information such as:

- amount of the loan,
- interest rate,
- fee charges,
- length of the grace period (if any),
- the maximum length of the repayment period,
- the minimum annual repayment amount,
- deferment conditions, *and*
- the definition of default.

Loan Fee A loan expense charged the loan borrower by the lender; it is deducted proportionately from each loan payment paid to the borrower. For FFEL Program loans, the fees are for the loan's origination and insurance. See also *Insurance Premium* and *Origination Fee.*

-M-

Master Calendar To assure adequate notification about and timely delivery of Title IV financial aid, ED operates using a master calendar defined in the Higher Education Act (HEA). This calendar gives specific dates by which federal forms will be developed and distributed, as well as dates campus-based funds will be allocated and Federal Pell Grant funds will be authorized for an award year. The master calendar determines by what dates federal financial aid regulations must be published.

Matching (Fund) Requirement See *Nonfederal Share.*

Monthly Electronic Expenditure Reporting System (MEERS) This system enables ED/PMS recipients, including schools, to report expenditures electronically through the service bureau to ED/PMS each month. The software needed to report expenditures is provided to recipients by ED and technical assistance is provided to recipients by both the service bureau and ED. MEERS recipients download a file from the service bureau, update their expenditures, and transmit the file back to the service bureau between the 10th and 25th of each month. MEERS reporting also includes financial aid reporting for programs other than Title IV, such as discretionary grants and Title III. Schools also retrieve data from ED/PMS via MEERS.

-N-

National Direct Student Loan (NDSL) Program* The former National Defense Student Loan Program is now called the Federal Perkins Loan Program. See also *Federal Perkins Loan Program.*

Nationally Recognized Accrediting Agency or Association An independent organization that monitors school practices and that certifies or approves schools to operate and/or offer certain programs of study. These organizations must be approved by the U. S. Secretary of Education for schools participating in the Title IV programs. See also *Accredited Institution*, *Accrediting Agency*, and *Preaccredited Institution*.

National Student Loan Data System (NSLDS) An ED database established to collect and maintain student loan information from guaranty agencies, lenders, institutions, and ED's program and Title IV default file. Information on all students who previously borrowed under Title IV programs also is maintained in the database. The database is updated on a weekly or monthly basis using information provided from the sources listed above.

Need The difference between a school's cost of attendance (COA) (student budget) and a student's Expected Family Contribution (EFC).

Need Analysis The statutorily defined method for determining Expected Family Contributions (EFCs) for all students applying for federal Title IV student financial aid. See also *Cost of Attendance (COA)*, *Expected Family Contribution (EFC)*, and *Federal Need Analysis Methodology*.

Need-Based Assistance Any form of financial aid awarded on the basis of demonstrated financial need. Need is established by subtracting a student's Expected Family Contribution (EFC) from the school's cost of attendance (COA). (COA - EFC = student financial need.)

Negotiated Rulemaking A process by which a government agency convenes meetings to discuss proposed regulatory matters with appropriate constituent groups. ED's Office of Postsecondary Education (OPE) convenes representatives of various groups involved in delivering and administering Title IV programs. During the public meetings, held in various regions of the country, the contents of proposed regulations are discussed/negotiated prior to the U. S. Secretary of Education publishing notices of proposed rulemaking (NPRMs) and/or final regulations.

Neophyte In these materials, we use this term to refer to financial aid administrators whose experience is two years or less in the field.

Nonfederal Audit See *Audit* and *Independent Audit*.

Nonfederal Share The portion of campus-based program funds that a school must contribute from a nonfederal source (usually the portion comes from the school itself). In 1995-96, for Title IV campus-based programs, a nonfederal source must contribute at least one-third (33 1/3 percent) of the federal contribution to the school's Federal Perkins Loan fund; one quarter (25 percent) of Federal Work-Study (FWS) awards; and one quarter (25 percent) of the Supplemental Educational Opportunity Grant (FSEOG) awards. These nonfederal funds were formerly referred to as the "institution's matching share" or "matching fund requirement."

Notice of Proposed Rulemaking (NPRM) Notice printed in the *Federal Register* of proposed regulations from a government agency, such as ED. Publication of a notice of proposed rulemaking (NPRM) begins an official comment period (which is usually 45 days or 60 days long, but may range from 30 days to 120 days in length) during which interested parties are invited to submit comments about the proposed regulations. Compare *Final Regulations* and *Interim Regulations.*

-O-

Off-Campus Agency An external agency that employs a school's Federal Work-Study (FWS) student(s) and pays the nonfederal share of the wages. See also *Federal Work-Study (FWS).*

Official Notice of Funding A computer-generated letter a school receives from ED that lists the final allocation amounts for each federal campus-based financial aid program the school administers. The notice, which must be sent by April, notifies the school of the allocation amounts it will receive for the upcoming award year, which begins the following July 1.

Offset See *Administrative Cost Allowance (ACA).*

One-Academic-Year Training Program A program consisting of at least 24 semester/trimester hours or 36 quarter hours at institutions using credit hours to measure progress; 900 clock hours of supervised training at an institution using clock hours to measure academic progress; or 900 clock hours in a program of study by correspondence. The program must include at least 30 weeks of instructional time.

Operator-Assisted Mode One of two modes (the other is Interactive Voice Response) that schools and other ED/PMS recipients use to request funds from ED/PMS under ACH. As the name implies, recipients speak directly to an operator to request funds. Compare *Interactive Voice Response (IVR).*

Origination Fee A cost of borrowing a loan calculated as a percent of the amount borrowed under any Federal Family Education Loan (FFEL) Program loan and charged to the student by the lender. This fee is usually subtracted from the student loan amount before the student receives the loan money. See also *Insurance Premium* and *Loan Fee.*

Overaward The condition that exists when an institution awards financial assistance to a student that, in combination with all of the resources made available to that student from federal and nonfederal sources, exceeds the difference between the student's cost of attendance (COA) and the Expected Family Contribution (EFC).

Overpayment Any financial aid amount paid to a student in excess of the amount the student is entitled to receive. This situation may arise due to a student's change in enrollment status, withdrawal, or a change in financial situation. In any of these instances, the student would be required to repay excess funds received *unless* adjustments could be made to the student's aid during subsequent payment periods within the same award year. See also *Repayment.*

-P-

Packaging The process of assembling one or more financial aid awards of loans, grants and/or scholarships, and employment for a student; also referred to as "award packaging."

Parents' Contribution A quantitative estimate, according to the Federal Need Analysis Methodology, of parents' ability to contribute to postsecondary education expenses of their dependent child. See also *Expected Family Contribution (EFC)*.

Payment and Disbursement Schedules See *Federal Pell Grant Payment and Disbursement Schedules.*

Payment Period A school-defined length of time for which financial aid funds are paid to a student. For programs using academic terms, a payment period is equal to a term. For programs not using academic terms, schools must designate at least two payment periods within an academic year pursuant to all applicable regulations. In the Federal Family Education Loan (FFEL) Program, the William D. Ford Federal Direct Loan Program, and campus-based programs, a payment period is the time between the beginning and midpoint or the midpoint and end of the academic year (or non-traditional program calendar). The Federal Pell Grant Program payment period is defined in 34 CFR 690.3 of the Federal Pell regulations. Compare *Enrollment Period.*

Payment Voucher (Federal Pell Grant) Part 3 of the Student Aid Report (SAR). A machine-readable form, it is coded with an individual student's payment data at the institution before it is submitted to ED. Note: Schools have the option of submitting this data via magnetic tape, on diskettes, or electronically. See also *Processed Payment Voucher.*

Peer Evaluation An objective review of an institution's policies, procedures, and practices by a financial aid administrator from another school or by a consultant. Peer evaluations also allow first-hand observations and comparisons of how comparable institutions carry out financial aid responsibilities.

Period of Enrollment See *Enrollment Period.*

Pell Grant See *Federal Pell Grant.*

Pell Payment Data See *Processed Payment Voucher.*

Perkins Loan See *Federal Perkins Loan.*

PLUS Loan See *Federal PLUS Loan* or *Federal Direct PLUS Loan.*

Policy and Procedures Manual A manual that helps an institution effectively and consistently manage financial aid using a compilation of written policies and procedures. Although ED does not require such a manual be used, it recommends that a school compile one, especially as federal financial aid regulations require schools to have and maintain certain written policies.

Postsecondary Institution An educational institution providing education beyond the high school level. The term is used to refer to trade and technical schools, as well as to community colleges and to four-year colleges and universities.

Postsecondary Vocational Institution An educational institution that:

(a) admits as regular students only persons with a high school diploma (or its recognized equivalent) or persons beyond the age of compulsory school attendance in the state where the institution is located;

(b) is legally authorized, by the state where it offers postsecondary education, to provide a postsecondary educational program;

(c) provides at least a six-month program, leading to a degree or certificate, that prepares students for gainful employment in a recognized occupation;

(d) is a public institution or a private nonprofit institution to which contributions are tax deductible under section 501(c)(3) of the Internal Revenue Code;

(e) is accredited or preaccredited by a nationally recognized accrediting agency or association or is a public postsecondary vocational institution approved by a state agency listed by ED as a reliable authority on the quality of public postsecondary vocational education in that state; and

(f) has been giving instruction for at least two years.

See also *Institution of Higher Education* and *Proprietary Institution of Higher Education.*

Preaccredited Institution An interim status granted by a nationally recognized accrediting agency or association to an unaccredited public or private nonprofit institution that is expected to receive accreditation within a reasonable time period. See also *Accredited Institution, Accrediting Agency,* and *Nationally Recognized Accrediting Agency or Association.*

Primary and Secondary EFCs (Expected Family Contributions) A student who qualifies for the Simplified Needs Test for financial aid fills out the Supplemental Information section on the Free Application for Federal Student Aid (FAFSA). Using this information, the Central Processing System (CPS) calculates a primary (and sometimes a secondary) Expected Family Contribution (EFC). The primary EFC is calculated using a statutory (simplified) formula; the result appears on the upper right-hand corners on Parts 1 and 2 of the SAR and on other federal financial aid output documents. If the student qualifies for the Simplified Needs Test and also provides enough financial information for the CPS to use the full data element (regular) formula, the secondary EFC will appear in the "School Use" box on Part 2 of the SAR. In awarding aid, the financial aid administrator may use either the primary or the secondary EFC. See also *Expected Family Contribution (EFC), Federal Output Documents, Full Data Element Formula,* and *Simplified Needs Test Formula.*

Principal and Interest Principal is the loan amount borrowed. Interest is the amount the lender charges the borrower for using the money. Interest rates are usually stated in annual percentages. A loan must be repaid; both principal and interest are included in the repayment made by the borrower to the lender.

Prior Year Recoveries Funds a school recovers in a given award year from financial aid money disbursed in prior award years. Institutions must adjust award expenditures and administrative cost allowances (ACAs) in award years in which recoveries are made. See also *Administrative Cost Allowance (ACA).*

Processed Payment Voucher The document sent to a school by the Central Processing System (CPS) that lists the official status of reported Pell Grant payments after processing school-reported Pell data. There are four categories: Accepted With Assumptions, Accepted Without Change or Assumption, Duplicate, or Rejected. See also individual voucher-category names.

Program Authorization See *Authorization (legislative)* and *Authorization (spending).*

Program Determination Letter (PDL) An official letter sent to a school by ED as a final result of an audit or program review. The letter outlines specific steps the school must take to reimburse ED for improperly spent funds, adjust both institutional and ED records and reports, and assure compliance with Title IV program regulations.

Program Integrity Triad A collaborative three-party evaluation process by nationally recognized accrediting agencies or associations, State Postsecondary Review Entities (SPREs), and ED for schools participating in federal Title IV financial aid programs. See also *Nationally Recognized Accrediting Agency or Association* and *State Postsecondary Review Entity (SPRE).*

Program Participation Agreement (PPA) A written agreement that must be signed by both a top official at an institution and the U. S. Secretary of Education that permits the institution to participate in one or more federal Title IV student aid programs (other than the State Student Incentive Grant [SSIG]). The signed agreement makes the institution's initial and continued eligibility to participate in Title IV programs conditional on compliance with all the provisions of the applicable laws and program regulations. This agreement may have to be updated periodically due to changes at the institution. See also *Emergency Action, Limitation, Suspension, or Termination (LS&T)* and *Institutional Eligibility Notice.*

Program Review The process in which the management of one or more of the federal financial aid programs at an institution is reviewed by ED or a guaranty agency. A program review assesses the institution's compliance with federal laws and regulations and its own school policies. It may also include a review of the institution's overall management and administrative capabilities.

Program Review Exceptions Institutional policies, procedures, or actions related to federal student financial aid programs cited in a program review report as being contrary to the federal laws or regulations that govern the programs. Also referred to as "findings."

Promissory Note A contract between a lender and a borrower that contains the terms and conditions of the loan, including how the loan must be repaid. It becomes legally binding when signed (executed) by the borrower.

Proprietary Institution of Higher Education An educational institution other than a public or private nonprofit institution located in a state that:

(a) admits as regular students only persons with a high school diploma (or its recognized equivalent) or persons beyond the age of compulsory school attendance in the state where the institution is located;

(b) is legally authorized, by the state where it offers postsecondary education, to provide a postsecondary educational program;

(c) provides at least a six-month program of training, leading to a degree or certificate, that prepares students for gainful employment in a recognized occupation;

(d) is accredited by a nationally recognized accrediting agency or association;

(e) has been giving postsecondary instruction (and has been legally authorized to give postsecondary instruction) for at least two years; and

(f) has at least 15 percent of its revenues must be derived from non-Title IV funds.

See also *Institution of Higher Education* and *Postsecondary Vocational Institution*.

-Q-

Quarter A standard academic term, usually 10 to 15 weeks in length. At institutions using quarters to measure student progress, an academic year is defined as the time period in which a full-time student is expected to complete the equivalent of three quarters. (For fiscal reporting, quarters in the Title IV award year are July-September, October-December, January-March, and April-June.) See *Academic Year (AY)*.

Quarterly Report A financial aid report, known as the ED/PMS 272 Report or the ED/PMS 272 Federal Cash Transaction Report, sent from ED and completed by aid recipients, including schools, that reflects the expenditure of funds for each allocation received from ED. The report is sent to schools at the end of each quarter during an award year. An institution completes designated portions of the report dealing with disbursements and recoveries for Federal Pell Grant, Direct Loan, and campus-based programs and returns the report to ED. (Note: Failure to return the report to ED by the designated due date on the transmittal letter accompanying the report may result in suspension of funds to the recipient.) The ED/PMS 272 also includes financial reporting for programs other than Title IV, such as discretionary grants and Title III. See also *Department of Education Payment Management System (ED/PMS)*.

-R-

Reauthorization The process of continuing and changing legislation, because the existing law is expiring and has to be reenacted. It is conducted every five to seven years in the case of the Higher Education Act (HEA), at which time Congress reviews and then renews, terminates, or amends existing programs. (July 23, 1992 was the date the most recent HEA reauthorization was enacted.) See also *Higher Education Act (HEA) of 1965, as amended*.

Recipient Data Exchange (RDE) A computer-system procedure for transmitting Federal Pell Grant payment data between an institution and ED using machine-readable magnetic tape.

Recognized Occupation An occupation listed in an "occupational division" in the latest edition of the *Dictionary of Occupational Titles* published by the U. S. Department of Labor. An occupation also can be a recognized occupation if the U. S. Secretary of Education, in consultation with the U. S. Secretary of Labor, decides it is one.

Reconciliation of Cash A confirmation that the cash amount shown in a school's accounting records agrees with the cash amount reported in the school's bank statement. Prompt and thorough cash reconciliation helps ensure the ongoing accuracy of a school's internal-control accounting system.

Reconciliation of Federal Funds Balancing the school's records of federal funds received, expended, and returned against ED's records. A reconciliation should be performed monthly to ensure that reported expenditures, the trial balance, ED/PMS 272 Federal Cash Transaction Report, ED's Student Payment Summary, the school's FISAP (Fiscal Operations Report and Application to Participate), and any other allocation (other than Title IV student financial aid) are in agreement. There should also be a yearly reconciliation of the same items that should be included in the school's most recent audit. See *Trial Balance*.

Refund This often refers to the portion of funds credited to a student's school account to cover institutional charges that the school returns to ED, a lender, or the student, if the student withdraws from, is expelled from, or drops out of school. If the student received any federal Title IV aid (other than Federal Work-Study), by law, a part of the refund must go to that Title IV program(s). "Refund" also can mean the return of interest or excess cash to ED from ED/PMS drawdowns or the return of audit and program review liabilities and fines. See also *Timely Processing of Refunds and Repayments*.

Refund Allocation Policy* A policy a school formerly was required to develop, specifying the order in which the school would return Title IV refund portions to the federal Title IV programs from which they were received. A new method of allocating refunds in a statutory prescribed order became effective with the 1993-94 award year; it was put in place by the 1992 reauthorization of the Higher Education Act (HEA). See *Allocation Order, Distribution Formulas,* and *Refund*.

Refund Policy A school policy that determines the conditions under which a student is entitled to a refund of payments made to the school on the student's behalf and the amount of that refund. All schools participating in Title IV programs are required to have a fair and equitable refund policy, as described in Section 668.22 of the Student Assistance General Provisions. A school's policy must provide a refund that is at least as much as the amount derived using:

(1) the requirements of applicable state law,

(2) the refund requirements established by the school's nationally recognized accrediting agency and approved by ED, *or*

(3) the statutory *pro rata* refund calculation defined by the Higher Education Amendment of 1992.

Regular Formula See *Full Data Element Formula*.

Regular Student A person enrolled or accepted for enrollment in an eligible program at a postsecondary institution for the purpose of obtaining a degree or certificate.

Reimbursement Payment Method A method certain schools must use to request federal financial aid funds from ED. After making aid disbursements to students, the school submits Form PMS 270, "Request for Advance or Reimbursement," to ED to be reimbursed for the funds it has expended. Payment is by ACH/EFT.

Rejected (Pell Payment Data) A category of Federal Pell Grant processed payment voucher data that contains unacceptable or incomplete information that is rejected by the Central

Processing System (CPS). An institution must correct the records and resubmit them to the CPS. See also *Processed Payment Voucher.*

Renewal FAFSA A pre-printed application form to be updated by a current federal financial aid applicant to be eligible to receive federal Title IV financial aid for the upcoming (next) award year. To use this update form, the student must have submitted a FAFSA applying for (although not necessarily receiving or accepting) federal financial aid during the preceding award year. A renewal aid application is mailed directly to the student or to the student's school by the Central Processing System (CPS) to be completed and returned to the CPS. See also *Free Application for Federal Student Aid (FAFSA).*

Repayment When a financial aid recipient who has received federal Title IV cash disbursement(s) withdraws from school, the school must determine whether the student owes a repayment to the federal government. If the cash disbursement (excluding Federal Work-Study [FWS], Federal Direct Loans, and FFEL Program loans) was greater than the amount of the student's living expenses before the student withdrew from school, the difference is considered an overpayment that must be repaid. A portion of the overpayment must be collected from the student and returned to federal Title IV programs as outlined in the federal repayment distribution formula. See also *Distribution Formula, Overpayment*, and *Timely Processing of Refunds and Repayments.*

Repayment Allocation Policy A policy a school must develop that specifies the order in which Title IV repayments (overpayments) will be returned to the federal financial aid programs from which they were received. A new method of allocating repayments in a statutorily prescribed order became effective with the 1993-94 award year, it was put in place by the 1992 reauthorization of the Higher Education Act (HEA). While an institution may determine its own allocation priorities, under no circumstances may a repayment to a particular aid program exceed the amount the student received from that program. See also *Distribution Formula, Overpayment*, and *Repayment.*

Repayment on a Grant Repayment due from a student to federal Title IV student aid fund accounts because of a change in the student's enrollment status, total withdrawal from school, or change in financial situation. This amount may be a partial or total repayment of Federal Pell Grant, Federal Supplemental Educational Opportunity Grant (FSEOG), or State Student Incentive Grant (SSIG) funds. The government repayment may be in the form of an adjustment (debit) to a student's school account that recovers already credited, but as yet unused, grant funds or it may be a repayment directly from the student to the government for grant funds already disbursed for living and other education-related expenses.

Repayment Period The period during which a borrower (student or parent) is scheduled to repay a student loan.

Repayment Plan The *overall timetable* by which a borrower is to pay back a student loan. There are various repayment plans available for the Federal Family Education Loan (FFEL) Program and the William D. Ford Federal Direct Loan Program, including the standard repayment plan, an extended repayment plan, a graduated repayment plan, and an income-contingent repayment plan. See also *Repayment Schedule.*

Repayment Schedule The *specific timetable*, using the borrower's repayment plan as its basis, that details the amount of loan principal and interest due in each repayment installment and the number of payments that will be required to pay off the loan in full. Additionally, a repayment schedule traditionally lists the loan's interest rate, the due date of the first loan payment, and the frequency of loan payments. See also *Repayment Plan.*

Resident Student A student who lives on campus or in housing owned and/or maintained by the institution.

Robert C. Byrd Honors Scholarship See *Robert C. Byrd Honors Scholarship* under "B."

Room (as in "room and board") The cost of a student's on-campus housing or off-campus housing. See also *Board.*

-S-

Satisfactory Academic Progress (SAP) A satisfactory rate of student course completion that is determined using qualitative and quantitative measures.

Scheduled Award See *Scheduled Federal Pell Grant Award.*

Scheduled Cash Payment The total institutional cost for a student *minus* the total aid paid to institutional costs for the payment period.

Scheduled Federal Pell Grant Award (scheduled award) The Federal Pell Grant amount that would be paid to a full-time student for a full academic year. The scheduled award total is taken from the Federal Pell Grant Payment Schedule; the amount is determined on the basis of the school's cost of attendance (COA) and a student's Expected Family Contribution (EFC).

Scholarship A form of postsecondary student financial assistance that does not require repayment or student employment. A "merit-based" scholarship is awarded to a student who demonstrates or shows potential for distinction, usually in academic performance. A "need-based" scholarship is awarded to a student who demonstrates financial need. Scholarships may require both academic proficiency and demonstrated financial need.

Secondary Markets Purchasers of student loan notes, such as the Student Loan Marketing Association (Sallie Mae) or other lending institutions. In this process, loan (promissory) notes are purchased for the face value of a multi-loan portfolio or at a negotiated price. Once sold, the secondary-market purchaser becomes the holder of the loan notes and has total responsibility for future loan servicing and assuring that the loans are repaid. In addition to Sallie Mae, which is chartered by Congress, there are 30 secondary-market entities operating at state or regional levels; a number of commercial lenders also purchase loans.

Among the reasons the William D. Ford Federal Direct Loan Program was created was to decrease the need and expense of intermediary secondary markets and third-party purchasers in the federal financial aid process.

Secondary EFC See *Primary and Secondary EFCs (Expected Family Contribution).*

Self-Evaluation A school's regularly scheduled in-house evaluation of the way it administers its student financial aid program. A self-evaluation is undertaken in an effort to detect any problems early on and resolve them.

Self-Help Aid Student financial aid loan programs or employment-opportunity programs awarded to students. Compare *Gift Aid.*

SEOG* See *Federal Supplemental Educational Grant (FSEOG).*

Separation of Functions As part of administering federal student financial aid programs, a school is required to establish and maintain a check-and-balance internal-control system ensuring that no single school office can both authorize payments and disburse funds to students. Often this required separation is created by dividing the functions between the school's financial aid office and the school's business office.

Simplified Needs Test Formula A statutorily created simplified financial-need analysis formula. A part of the Federal Need Analysis Methodology, it uses a limited number of data elements to calculate a student's Expected Family Contribution (EFC). The calculation then is used in assessing a student's need for post-secondary financial assistance. For the 1995-96 award year, a *dependent* student qualifies for the simplified EFC formula if *all* of the following are true:

- the student's parents filed or are eligible to file a 1994 IRS Form 1040A or 1040EZ (they are not required to file a 1994 IRS Form 1040), or the parents are not required to file any income tax return; *and*
- the student filed or is eligible to file a 1994 IRS Form 1040A or 1040EZ (he or she is not required to file a 1994 IRS Form 1040), or he or she is not required to file any income tax return; *and*
- the 1994 income of the student's parents from one of the two sources below is $49,999 or less (excluding any income of the dependent student)—
  - ◊ the parents' adjusted gross income from the 1994 IRS Form 140A or 1040EZ, or
  - ◊ for parents who are not tax filers, the income shown on the 1994 W-2 forms of both parents (plus any other earnings from work not included on the W-2s).

For the 1995-96 award year, an *independent* student qualifies for the simplified EFC formula if *both* of the following are true:

- the student filed or is eligible to file a 1994 IRS Form 1040A or 1040EZ (he or she is not required to file a 1994 IRS Form 1040), or he or she is not required to file any income tax return; *and*
- the student's (and spouses) 1994 income from one of the two sources below is $49,999 or less—
  - ◊ the student's (and spouses) adjusted gross income from the 1994 IRS Form 140A or 1040EZ, or
  - ◊ for non-tax filers, the income shown on the student's (and spouses) 1994 W-2 forms (plus any other earnings from work not included on the W-2s).

See also Primary and Secondary EFCs (Expected Family Contributions). Compare Full Data Element Formula.

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Site Visit A visit to a school during which an independent auditor, nationally recognized accrediting agency, State Postsecondary Review Entity (SPRE), and/or ED seeks to understand the school's physical plant, enrollment, student financial aid application process, and methods of monitoring student attendance. See also *Independent Audit, Nationally Recognized Accrediting Agency or Association*, and *State Postsecondary Review Entity (SPRE).*

Six-Month Program An instructional program consisting of at least 16 semester or trimester hours or 24 quarter hours at an institution that uses credit hours to measure progress; 600 clock hours of supervised training at an institution that uses clock hours to measure progress; 600 clock hours in a correspondence program; or a program that the U. S. Secretary of Education determines to be a six-month program on the basis of the Secretary's agreement plus certification by the institution's nationally recognized accrediting agency or association that the program is equivalent in course content and student workload to a comparable six-month credit-hour or clock-hour program.

Skip Tracing Traditionally, searching for someone with unpaid debts who has left hurriedly or secretly ("skipped") without leaving a forwarding address. In a federal financial aid context, this is when, for whatever reason, a loan borrower no longer lives at the address where a lender or school is sending loan billing notices, and the lender or school must attempt to locate the borrower's correct address. In the search, the law allows the use of any information obtained from the borrower while the borrower was at the school (such as data taken from applications and files), as well as information gleaned from any school office (including the registrar's office and the alumni office). If the borrower still cannot be located using information from the school (or otherwise available to a lender), the lender or school must use ED's free skip-tracing service to try to locate the missing loan borrower.

SLS* See *Federal Supplemental Loans for Students (SLS).*

Source Document When estimating a student budget to use in determining cost of attendance (COA) at a school, this is the original supporting data for an item's cost or estimated cost and/or back-up material detailing why a certain expense decision was made or a specific dollar value was selected. See also *Cost of Attendance (COA).*

Special Allowance A percentage of the average unpaid principal balance paid by ED to the lender of an FFEL Program loan. In effect, ED pays extra interest on the loan to the lender in addition to the basic interest charged on subsidized loans. This amount makes up the difference between the rates charged to FFEL Program borrowers and market interest rates. The amount of the special allowance is set by a statutory formula related to 91-day Treasury bills rate.

SSIG See *State Student Incentive Grant (SSIG).*

Stafford Loan See *Federal Direct Stafford/Ford Loan (subsidized), Federal Direct Unsubsidized Stafford/Ford Loan, subsidized Federal Stafford Loan,* and *unsubsidized Federal Stafford Loan.*

Standard Maintenance Allowance An allowance for the basic costs of maintaining family members in the home that is taken into account when considering family income as part of the Expected Family Contribution (EFC). The allowance is on the basis of various types of consumer expenses and other cost estimates used by the Bureau of Labor Statistics for a family at the low standard of living. See also *Expected Family Contribution (EFC).*

Statement of Account (SOA) An official Federal Pell Grant statement from ED that sets a school's Pell authorization level for the upcoming award year and projects adjustments to the school's Pell funding needs. See also *Federal Pell Grant Program.*

Statement of Educational Purpose A student must sign this statement to receive federal student aid. By signing, a student agrees to use Title IV student aid solely for education expenses. The statement appears on the Student Aid Report (SAR), the subsidized Federal Stafford loan application, and the unsubsidized Stafford loan application; a school also may prepare its own similar statement for a student to sign.

Both the student and parent must sign this statement on a Federal PLUS Loan application.

State Postsecondary Review Entity (SPRE) A state agency approved by the U. S. Secretary of Education to determine institutional eligibility for Title IV program participation and to ensure compliance with state standards. SPREs were created in the 1992 reauthorization of the Higher Education Act (HEA). See also *State Postsecondary Review Program (SPRP).*

State Postsecondary Review Program (SPRP) A program created in the 1992 reauthorization of the Higher Education Act (HEA) that is designed to reduce fraud and abuse in federal financial aid programs. The State Postsecondary Review Program (SPRP) establishes state standards for schools participating in Title IV programs. A state identifies a State Postsecondary Review Entity (SPRE) to perform these functions. See also *State Postsecondary Review Entity (SPRE).*

State Student Incentive Grant (SSIG) A Title IV gift-aid program jointly funded by the federal government and participating states. It provides state scholarship or grant assistance to students who show financial need.

Student Aid Master Record An institutional record containing information for an in-school student for each award year. The institution records all basic information relating to all student aid programs, including institutional and other aid programs, on the master record.

Student Aid Report (SAR) The report sent directly to a student from ED's Central Processing System (CPS) that summarizes the information submitted on the student's Free Application for Federal Student Aid (FAFSA) and provides financial-need calculations (including the student's Expected Family Contribution [EFC]) on the basis of these submitted figures.

The SAR has three parts.

- Part 1 is the Student Information Summary.
- Part 2, the Information Review Form (IRVF) or the Information Request Form (IRQF), is where the student can make any needed corrections or information changes. The student provides the corrections and returns Part 2 of the SAR to the CPS. The CPS will then send the student a copy of the corrected SAR.

- Part 3 of the SAR is the paper Payment Voucher, an accounting form the school uses to certify Pell Grant disbursement information to ED about financial aid payments the student receives.

For the 1995-96 award year, the SAR will have these three parts. However, as of the 1996-97 award year and thereafter, the SAR will have two parts—Part 1 and Part 2. See also *Institutional Student Information Record (ISIR)* and *Payment Voucher.*

Student Budget See *Cost of Attendance* and *Source Document.*

Student Confirmation Report See *Student Status Confirmation Report (SSCR).*

Student Contribution The dollar figure the student is expected to contribute toward postsecondary education costs from base-year income (taxed and untaxed), assets, and other resources. This amount is determined by analyzing the student's income and assets in tandem with provided allowances designed to ensure that the student actually can contribute the necessary expenses. See also *Assets, Base Year (for financial aid awards), Taxed Income,* and *Untaxed Income.*

Student Loan Reform Act of 1993 (SLRA) Federal legislation tied to the Higher Education Act (HEA); it was enacted on August 10, 1993. It is the legislation that created the Federal Direct Student Loan Program (since renamed the William D. Ford Federal Direct Loan Program) and eliminated the Federal Supplemental Loans for Students (SLS) Program. See also *Higher Education Act (HEA) of 1965, as amended.*

Student Payment Summary A listing retained in ED's records of a school's Federal Pell Grant recipients and their award information. The list is based on Payment Vouchers submitted by the school. It can be used to assist the school in reconciling Pell payment activity. The summary is sent to the institution at least three times during the award year as well as at the end of the award year.

Student Status Confirmation Report (SSCR) A guaranty agency report (either printed or on magnetic tape) that is sent to educational institutions at least twice a year. It lists all the Federal Stafford Loan and Federal Supplemental Loans for Students (SLS) borrowers at the institution who

(a) have loans guaranteed by the agency and

(b) were last reported as enrolled at the school.

The institution is required to provide the guaranty agency with certain enrollment information about each of the borrowers. Lenders use the Student Status Confirmation Reports as a monitoring device to help determine when student borrowers are required to begin repaying their student loans.

Beginning summer 1995, guaranty agencies will not be responsible for sending out Student Status Confirmation Reports, the National Student Loan Data System (NSLDS) will send this report to institutions at least twice a year.

Supplemental Appropriation An additional allocation of available funds for one or more campus-based programs that may be given to a school on the basis of the school's need for additional funds. Supplemental allocations are made after schools have released unexpended campus-based funds at the end of an award year. See also *Allocation, Appropriation*, and *Deobligation*.

Supplemental Educational Opportunity Grant (SEOG) See *Federal Supplemental Opportunity Educational Grant (FSEOG).*

Supplemental Loans for Students (SLS)* See *Federal Supplemental Loans for Students (SLS).*

-T-

Taxed Income Personal income (earnings) subject to federal tax. Compare *Untaxed Income.*

Telecommunication Course A course offered principally by television, audio, or computer transmission, including open broadcast, closed circuit, cable, microwave or satellite, audio conferencing, computer conferencing, or video cassettes or discs. The term does not include a course that is delivered by video cassettes or disc recordings, unless that same course is delivered to students physically attending classes at the institution during the same award year. See also *Correspondence Course or Program.*

Term-Based Schools Institutions that measure academic progress in terms—quarters, trimesters, or semesters.

The Federal Student Financial Aid Handbook Refer to *The Federal Student Financial Aid Handbook* under "F."

Third-Party Servicer An individual, a state, or a private profit or nonprofit organization that contracts with an eligible postsecondary educational institution to administer any aspect of the institution's participation in a Title IV program. *Not* included in this definition: publishing ability-to-benefit (ATB) tests; performing Multiple Data Entry (MDE) processor functions; performing a financial compliance audit; mailing documents prepared by the institution; and warehousing institution records.

Timely Processing of Refunds and Repayments Schools must notify students and loan lenders in writing when financial aid is refunded or repaid to Title IV programs. Schools must return refund or repayment portions to the Federal Pell and campus-based program accounts within 30 days of a student's withdrawal date and, under the FFEL programs, return proceeds to the lender within 60 days of a withdrawal date. If an audit or program review reveals that a school is not meeting the deadlines for returning refunds and repayments to Title IV accounts, the school incurs a financial liability. See also *Refund* and *Repayment.*

Title IV Student Financial Aid Federal financial aid programs for students attending postsecondary educational institutions that are authorized under Title IV of the Higher Education Act of 1965, as amended. The programs are administered by the U. S. Department of Education. Title IV programs consists of:

- Federal Pell Grants,
- Federal Supplemental Educational Opportunity Grants (FSEOG),*
- Federal Work-Study (FWS),*
- Federal Perkins Loans (FPL),*
- Federal Stafford Loans,**
- unsubsidized Federal Stafford Loans,**

- Federal Supplemental Loans for Students (SLS) [new loans eliminated as of July 1, 1994],**
- Federal PLUS Loans,**
- Federal Consolidation Loans,**
- State Student Incentive Grants (SSIG),
- Federal Direct Unsubsidized Stafford/Ford Loans,***
- Federal Direct Stafford/Ford Loans (subsidized),***
- Federal Direct PLUS Loans,***
- Federal Direct Consolidation Loans,***
- Robert C. Byrd Honors Scholarships, and
- Presidential Access Scholarships (currently, these scholarships are unfunded).

*These are collectively referred to as campus-based programs.

**These are collectively referred to as the Federal Family Education Loan (FFEL) Program.

***These are collectively referred to as the William D. Ford Direct Loan Program (effective as of July 1, 1994).

See also *Higher Education Act (HEA) of 1965, as amended.*

Tolerance Levels (verification) A dollar-value level of errors in the income or asset information used to calculate the Expected Family Contribution. If the error level is at the maximum tolerance level for a given year, student applicant information does not need to be reprocessed. The *Verification Guide* provides important details on tolerance levels. See also *Verification.*

Transfer of Funds Moving a statutorily allowable percentage of financial aid allocations from Perkins Loan funds to Federal Work-Study (FWS) funds and from Perkins Loan funds and FWS funds to Federal Supplemental Educational Opportunity Grant (FSEOG) funds.

Trial Balance A comparison of debit and credit balances and the addition of account balances. A successful trial balance for Title IV programs is a confirmation that accounts receivable, program expenditures, and cash balances equal the amounts awarded to students and do not exceed the total allocation or authorization. The purpose of a trial balance is to check that the dollar amounts of debits and credits equal general ledger accounts. This is a useful tool for catching many types of errors, but having a trial balance in balance, in and of itself, is not an assurance that other accounting errors haven't been made. Taking a trial balance should be performed at least monthly. See also *Reconciliation of Federal Funds.*

-U-

Undergraduate In Federal Pell Grant and Federal Supplemental Educational Opportunity Grant (SEOG) terminology, a postsecondary-education student who does not have a first baccalaureate degree or a first professional degree.

Underutilization Disbursing a smaller amount of campus-based program financial aid funds to eligible students during an award year than the institution's allocated funding level allowed.

Unmet Need The total student's cost of attendance (COA) at a specific school minus the student's Expected Family Contribution (EFC) and Estimated Financial Assistance (EFA).

(COA - EFC - EFA = student's unmet financial need.)

Unsubsidized Federal Stafford Loan The unsubsidized Federal Stafford Loan Program provides loans to students who do not meet the financial-need criteria for a Federal Stafford Loan. An unsubsidized Federal Stafford Loan may be substituted for all or part of the Expected Family Contribution (EFC) and is referred to as a "non-need-based" loan. These loans may be borrowed by undergraduate, graduate, and professional students. See also *Federal Stafford Loan (subsidized).* Compare *Federal Direct Unsubsidized Stafford/Ford Loan.*

Untaxed Income Income (earnings) or resources that are not subject to federal tax and are not reported on a tax form. Examples of untaxed income are welfare benefits, child support, interest on tax-free bonds, some Social Security benefits, certain unemployment compensation, and military and other subsistence and quarters allowances. Compare *Taxed Income.*

Update Requirement Required notification to ED of a change in the information originally reported on an aid application. Updates are required for changes in household size, number of family members enrolled in postsecondary education, and dependency status. If the numbers in these items change, it might cause a significant change in a student's Expected Family Contribution (EFC).

U.S. Code (U.S.C.) The federal government's compilation of public laws.

-V-

Verification The technical and administrative procedures for detecting and resolving inaccuracies in the data a student (and family) supplied on the Free Application for Federal Student Aid (FAFSA) when applying for Title IV aid. ED publishes a *Verification Guide* each year that details verification guidelines and procedures. See also *Conflicting Information, Edit Checks,* and *Tolerance Levels (verification).*

Verification Items Specific student (and family) applicant information that must be checked for accuracy during the Title IV verification process. Verification may extend to other items on the Free Application for Federal Student Aid (FAFSA) at the discretion of the financial aid administrator. See also *Conflicting Information* and *Verification.*

Verification Worksheet An ED worksheet/form issued to a student who applied for federal financial aid using the Free Application for Federal Student Aid (FAFSA) and whose FAFSA was selected by the Central Processing System (CPS), or at the discretion of the financial aid administrator, for verification. The worksheet lists additional documents the applicant needs to submit to complete the verification process.

Vocational Schools* One of four types of eligible institutions (to receive Title IV federal student financial aid) prior to 1992. As a result of the 1992 reauthorization of the Higher Education Act (HEA), there now are only three types of eligible institutions:

- institutions of higher education;
- proprietary institutions of higher education; and
- postsecondary vocational institutions.

-W-

William D. Ford Federal Direct Loan Program See *William D. Ford Federal Direct Loan Program* under "F."

Withdrawal Date The later of either the date a student notifies a school of his/her withdrawal *or* the date specified by a student *or* the last date of a student's recorded attendance. If a student is enrolled in a correspondence program, the withdrawal date is the date of the last lesson submitted by the student if the student failed to submit the subsequent lesson according to the school's schedule. Compare *Drop-Out Date.*

-X, Y, Z-

No entries

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Appendix C - Resources

Introduction

Financial aid administrators must make sure that federal student aid programs are administered properly. This task can be made easier in the following ways:

- Maintain an up-to-date student aid reference library that includes ED's major publications, and useful non-ED publications.
- Stay up to date on program information, policies, regulations, and the law, as well as being aware of changes; share information with all offices in the school that might be affected.
- Check on any questionable or unclear information and ask questions before acting—this can save time and prevent liabilities.

ED Resource Materials

The following is a list of ED resource publications, many of them are published annually. These are available from the Federal Student Aid Information Center by calling **1-800-4-FED-AID.**

- *The Student Guide.* A general guide to the Title IV programs, written for students and parents.
- *What's New? Direct Loans!* A general guide to Direct Loans, written for students and parents.
- *The Federal Student Financial Aid Handbook.* A financial aid administrator's reference guide to administering Title IV programs.
- *The Counselor's Handbook for High Schools.* A high school guidance counselor's reference guide to advise students on how to seek financial aid for postsecondary education.
- *Expect Family Contribution (EFC) Formula.* A guide to assist in understanding how the formula is used to determine need for Title IV recipients.
- *Current Title IV Regulations.* A compilation of all the current regulations governing Title IV programs.
- *The Verification Guide.* A guide to verifying student aid application information, confirming correct data, and identifying incorrect or misreported data.
- *The Blue Book—Accounting, Recordkeeping, and Reporting by Postsecondary Educational Institutions for Federally Funded Student Financial Aid Programs.* A guide to proper fiscal operations procedures related to administering Title IV programs. This publication is a "must-have" for all fiscal officers.
- *The Audit Guide—Student Financial Assistance Programs.* A guide to preparing for and completing required audits of federal student aid operations.
- *The Recipient's Guide to the Payment Management System.* A guide that prescribes procedures for expediting payments, completing the ED/PMS 272 Report, and managing and controlling federal cash.

The Recipient's Guide can be obtained from:

U.S. Department of Education
Financial Services
Washington, DC 20202-4331

Other Resource Materials

ED also sends each participating Title IV school Dear Colleague letters and reprints of the *Federal Register* that pertain to Title IV aid. You should keep current in your reading of these documents and have them as readily accessible references.

In addition to ED's reference and training publications, there are several non-ED publications that might be useful financial aid resources, although ED does not endorse or promote any such publications.

These publications are usually available, for a fee, from professional associations and national, state, and local agencies. Membership in the association is sometimes required. The publications include:

- financial aid encyclopedias,
- job aids,
- self-evaluation guides, and
- newsletters or research journals.

Student Aid Reference Library

A good student-aid reference library includes all the ED publications described here. Many are updated annually. ED sends these publications to each participating Title IV school each time the publications are updated.

Extra copies can be ordered from the Federal Student Aid Information Center (**1-800-4-FED-AID**) at no charge. The quantities that can be sent are usually limited, but a school can make photocopies if necessary.

Your student-aid reference library should be kept up to date with the latest editions of publications readily available for reference. However, it is also important to maintain (or archive) old versions of the publications in the event that it is necessary to respond to an audit finding concerning an issue or law that might have changed.

Electronic Processing

The U.S. Department of Education has a system of electronic financial processing that replaces or supplements traditional processing. The system includes:

- The Electronic FISAP—increases productivity and efficiency for financial aid administrators and ED by providing automatic calculation and edit features for users.

NOTE: Institutions that have a default rate greater than 7% are encouraged to enroll for this free service.

- The Electronic Data Exchange (EDE)—allows participants to transmit federal student aid applicant data and Federal Pell Grant payment data to ED.
- The Electronic Data Exchange Stage Zero—allows schools to enter (or have their students enter), on a PC or mainframe, federal student financial aid data to be sent to the Central Processing System.
- The Pell Grant Recipient Data Exchange (RDE)—allows schools to report large volumes of recipient data to ED using magnetic tapes or cartridges. This process reduces the amount of paper handling and storage requirements of manual processing.
- The Floppy Disk Data Exchange (FDDE)—a process that is an alternative to paper Payment Voucher submission. It also enables schools with minimal automated data processing (ADP) resources to take advantage of automatic processing.

- The Electronic Need Analysis System (ENAS)—can be used to calculate Expected Family Contribution (EFC).

Organization of the Office of the Deputy Assistant Secretary for Student Financial Assistance Programs (SFAP)

Within ED's Office of Postsecondary Education (OPE), the Office of the Deputy Assistant Secretary for Student Financial Assistance Programs (SFAP) is responsible for administering SFA programs and for developing policies and procedures to meet the objectives of those programs. Chapter 1 of *The Federal Student Financial Aid Handbook* contains detailed information on SFAP's organization, including offices and telephone numbers.

- The Policy Development Division (PDD) is responsible for developing and issuing program policies and regulations. The division's main telephone number is **202-708-9261.**
- The Program Systems Service (PSS) is responsible for delivering and controlling federal funds and services authorized for SFA programs. The division's main telephone number is **202-708-7701**.
- The Institutional Monitoring Division (IMD) is responsible for monitoring financial administration of SFA programs through audit reviews and school and lender reviews. The division's main telephone number is **202-708-8197**.
- The Training and Program Information Division (TPID) is responsible for coordinating training activities for the financial aid community and disseminating information on the SFA programs to schools, the general public, and other interested groups. The division's main telephone number is **202-708-8636.**

NOTE: SFAP training is offered at various times throughout the year. Watch for special Dear Colleague letters identified as "Training Announcements."

- The Field Operations Service (FOS) is responsible for implementing central office functions in the field through ten ED regional offices. It also conducts program reviews of participating schools, lenders, and guaranty agencies. The division's main telephone number is **202-708-9192**.

Technical assistance inquiries should be directed to the Federal Student Aid Information Center at **1-800-4-FED-AID**.

Report incidents of Title IV fraud or suspected fraud to the Inspector General's hotline at **1-800-MIS-USED** or contact local law enforcement officials.

NOTE: You also may write to:
Inspector General's Hotline
Office of Inspector General
U. S. Department of Education
400 Maryland Avenue, SW
Washington, DC 20202-1510

For additional information, see *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 1.

Professional Associations' Technical Assistance and Training

Technical financial aid assistance is usually available to members of a financial-aid-related professional association. Some associations might also research technical and historical questions, locate helpful materials, and refer problems/questions to experienced members.

Training is usually offered to both members and non-members, the latter paying a higher registration fee. Workshop topics are selected to meet current needs and issues within the financial aid community.

Workshops are offered on four different levels: local, state, regional, and national. Many of the national workshops are listed in SFAP's Training Calendar, which is published three times a year—in May, September, and January—and mailed to schools participating in Title IV programs.

Major national associations related to student financial aid are listed below.

- National Association of Student Financial Aid Administrators (NASFAA)
  1920 L Street, NW, Suite 200
  Washington, DC 20036
  202-785-0453
- Career College Association (CCA)
  750 First Street, NE, Suite 900
  Washington, DC 20002
  202-336-6700
- The National Association of College and University Business Officers (NACUBO)
  1 Dupont Circle, NW
  Washington, DC 20036
  202-861-2500
- National Association of Accredited Cosmetology Schools (NAACS)
  901 N. Stuart Street, Suite 900
  Arlington, VA 22203
  703-527-7600
- National Accrediting Commission of Cosmetology Arts and Sciences (NACCAS)
  5201 Leesburg Pike, Suite 205
  Falls Church, VA 22041
  703-845-1333

National, State, and Local Agencies

You can also receive technical assistance from national, state, or local agencies. These agencies often provide workshops on topics related to student financial aid. Such agencies include:

- state guaranty agencies
- state higher education agencies
- need analysis servicers (a "GEN" DCL listing need analysis servicers is issued by ED each year)

A list of ED/SFAP regional offices is on page 5. The map on page 6 shows the ten ED regions and contrasts them to the areas covered by NASFAA's regional associations. Notice that ED's regional office areas are not always the same as the association's areas.

Networking

Networking is another important source of technical assistance and training. Through meeting and talking together, financial aid administrators can exchange:

- technical information
- suggested management approaches
- guidance for problem-solving
- assistance for new and inexperienced staff

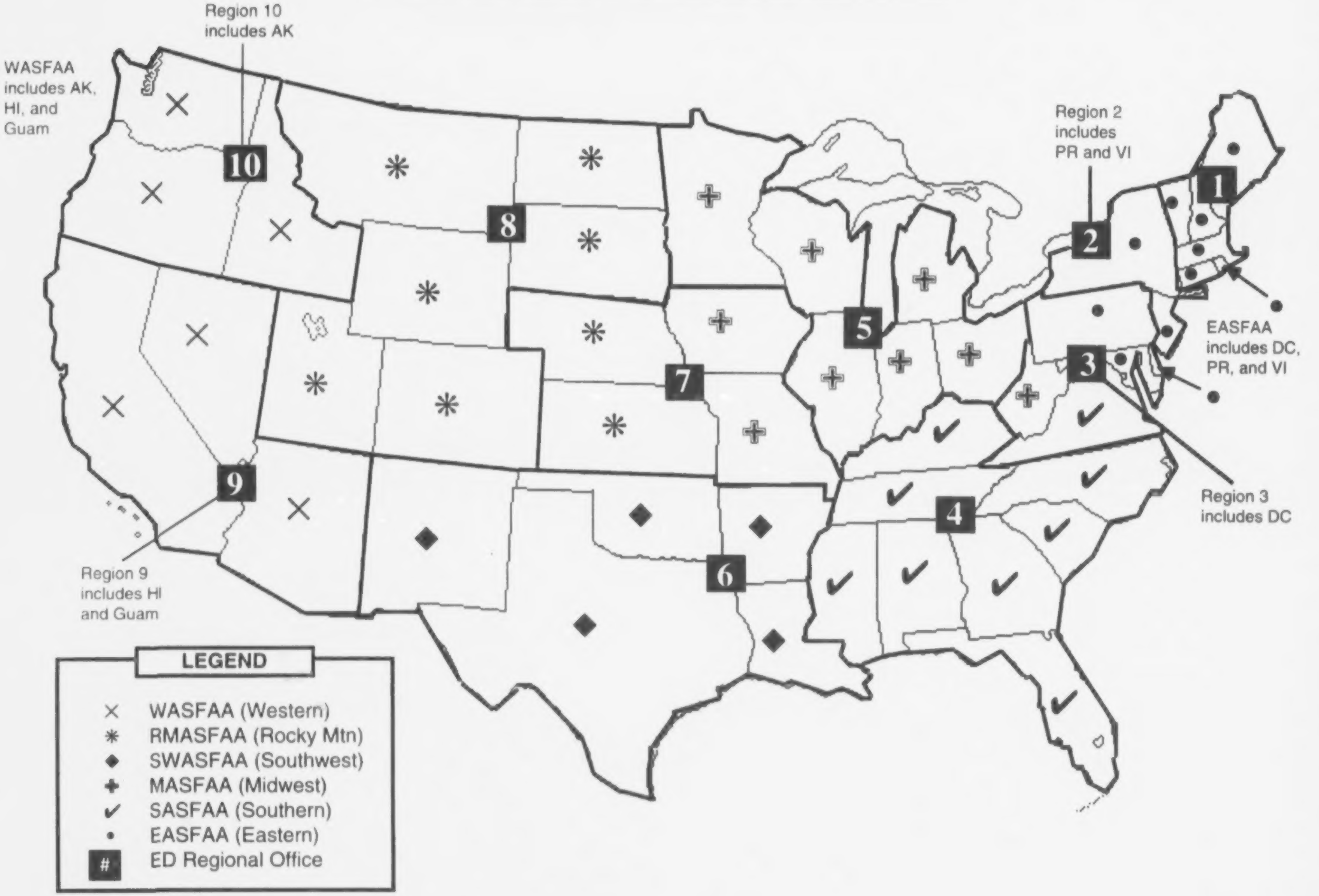
Networking opportunities are available through:

- association memberships
- school partnerships
- personal and professional affiliations

ED Regional Offices

Region		States Served
I	U.S. Department of Education J.W. McCormack Post Office and Courthouse Bldg. Room 502, MS-01-0070 Boston, MA 02109 Telephone: 617-223-9338	Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont
II	U.S. Department of Education 26 Federal Plaza, Room 3954, MS-02-1081 New York, NY 10278 Telephone: 212-264-4022	New Jersey, New York, Puerto Rico, and the Virgin Islands
III	U.S. Department of Education 3535 Market Street, Room 16200, MS-03-2080 Philadelphia, PA 19104 Telephone: 215-596-1494	Delaware, District of Columbia, Maryland, Pennsylvania, Virginia, and West Virginia
IV	U.S. Department of Education P.O. Box 1692, MS-04-3080 Atlanta, GA 30301 Telephone: 404-331-0556	Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, South Carolina, and Tennessee
V	U.S. Department of Education 401 South State Street, Room 700-D, MS-05-4080 Chicago, IL 60605 Telephone: 312-353-0375	Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin
VI	U.S. Department of Education 1200 Main Tower, Room 2150, MS-06-5080 Dallas, TX 75202 Telephone: 214-767-3811	Arkansas, Louisiana, New Mexico, Oklahoma, and Texas
VII	U.S. Department of Education 10220 North Executive Hills Blvd., 9th Floor MS-07-6080 Kansas City, MO 64153 Telephone: 816-891-8055	Iowa, Kansas, Missouri, and Nebraska
VIII	U.S. Department of Education Federal Building, 1244 Speer Blvd., Suite 310 Denver, CO 80204 Telephone: 303-844-3676	Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming
IX	U.S. Department of Education 50 United Nations Plaza, Room 270, MS-09-8080 San Francisco, CA 94102 Telephone: 415-556-5689	Arizona, California, Hawaii, Nevada, American Samoa, Guam, Federated States of Micronesia, Palau, Marshall Islands, and the Commonwealth of the Northern Marianas
X	U.S. Department of Education 915 Second Avenue, Room 3388, MC-10-9081 Seattle, WA 98174 Telephone: 206-220-7820	Alaska, Idaho, Oregon, and Washington

ED's Regional Offices and NASFAA's Regional Associations


Region 10 includes AK
WASFAA includes AK, HI, and Guam
Region 2 includes PR and VI
EASFAA includes DC, PR, and VI
Region 3 includes DC
Region 9 includes HI and Guam
1
2
3
4
5
6
7
8
9
10
LEGEND
× WASFAA (Western)
✳ RMASFAA (Rocky Mtn)
◆ SWASFAA (Southwest)
✚ MASFAA (Midwest)
✓ SASFAA (Southern)
• EASFAA (Eastern)
# ED Regional Office

U.S. DEPARTMENT OF EDUCATION
ELECTRONIC DATA EXCHANGE (EDE) CONTACTS

GES User Service Analysts

Bob Rittenmeyer, Sandi Sander, Kevin Galloway, and Gary Gavin
Toll-Free Number: 1-800-553-2159
Assistance with:

- Testing and certification
- Retransmission of batches
- Operational difficulties
- Network problems

CPS Customer Service Representatives

Beverly Allen and Gary Gavin
Telephone Number: 319-339-6642
Assistance with:

- GES program questions
- Batch status and explanation of batch reject codes
- Problem resolution
- User documentation questions

Federal Student Aid Information Center (FSAIC)

Toll-Free Number: 1-800-4-FED-AID or, for hearing-impaired callers, TDD 1-800-730-8913
Assistance with:

- Program information
- Payment problems and student loan problems
- Explanation of SAR reject reasons

OR

319-337-5665
TDD 301-369-0518

- Requests for duplicate SARs
- Application and correction processing data

U.S. Department of Education EDE Specialists

Paul Mathis, 202-708-8270 Electronic Applications, ISIR, and Corrections
Walter Hoffman, 202-708-6813 Electronic Payment Information
Assistance with:

- General program information and enrollment information
- EDE cost estimates
- Payment processing inquiries
- EDE policy questions

U.S. DEPARTMENT OF EDUCATION
PELL GRANT BRANCH
FACT SHEET

FLOPPY DISKETTE DATA EXCHANGE PROGRAM (FDDE)

BENEFITS:

- Inexpensive
- Eliminates coding hard-copy documents
- Reduces processing errors
- Reduces paper use
- Facilitates use of external databases
- Reduces Pell Grant processing turn-around time
- Increases office productivity
- Increases control over payment data via reports and queries

SOFTWARE FEATURES:

- Menu driven—easy to use and easy to learn
- On-line context sensitive help—including tutorial and glossary
- Quick and simple data entry screen
- Gateway to existing external data—massload function
- Sophisticated queries, detail, exception, and summary reports
- Data backup, archive, and restore functions
- Multi-level security access capabilities

EQUIPMENT REQUIREMENTS:

- IBM PC or compatible microcomputer
- 5.25-inch or 3.5-inch disk drive
- Hard disk with at least 1.5 megabyte of available disk space
- 640k RAM (random access memory)
- PC/MS DOS version 3.1 or higher
- Printer

Who to contact for more information:

For policy related questions:
Floppy Diskette Data Exchange Program Specialist - 202-708-6813

For technical questions:
Pell Grant User Support Hotline - 202-708-9141

U.S. DEPARTMENT OF EDUCATION
PELL GRANT BRANCH

RECIPIENT DATA EXCHANGE (RDE)

FEATURES:

- Allows institutions to submit payment data from Part 3 of Student Aid Reports and receive processed payment data using magnetic tapes
- Efficient method for exchanging high volume, institutional mainframe data with ED
- Reduces paper storage and handling
- Increases accuracy of payment data (fewer keying errors)
- Will accept IBM tape cartridges
- Provides the option to receive Student Payment Summary data on magnetic tape
- Do not have to reapply for future processing cycles

Who to contact for more information:

Recipient Data Exchange Specialist—202-708-7725

APPLICANT ROSTER AND TAPE EXCHANGE PROGRAM

FEATURES:

- Provides information about applicants from the Federal Student Aid Central Processing System
- Provides listings of students who indicate on their applications that they plan to attend your school
- Listings are available free of charge
- Two formats are available:
  - ✧ **Full presentation** of complete data, including all financial data reported by the applicant
  - ✧ **Abbreviated presentation** of basic applicant data including name, Social Security Number, EFC, and family contribution. This is a subset of the "full presentation."
- Can receive listings in hard copy or on magnetic tape
- Choose up to 40 tapes or listings per processing cycle
- Do not have to reapply for future processing cycles unless you wish to change the services that you have selected (for example, production dates, format, or type of media)

Who to contact for more information:

Applicant Roster and Tape Service Specialist, Federal Student Aid Programs—319-339-6766

BEST COPY AVAILABLE

The U.S. Department of Education's EDExpress Packaging Module

Beginning in award year 1994-95, personal computer (PC) software was provided by the U.S. Department of Education (ED) to assist postsecondary institutions in financial aid award packaging.

Background

"Packaging" is the term used to describe the process by which a postsecondary institution allocates grants, loans, and work-study aid from a variety of sources to meet all or part of a student's financial need.

Each Title IV program has statutory and regulatory rules for determining student minimum and maximum awards. Federal law and regulations also provide general guidance to institutions for packaging student aid funds. For the three campus-based programs (FSEOG, Perkins, and FWS), the regulations require that participating schools have written packaging policies that are uniformly applied. Operating within these guidelines, postsecondary institutions have flexibility to meet institutional and student needs when constructing student award packages.

Because award packaging is subject to an institution's individual characteristics and needs, packaging approaches usually vary from school to school. A small proprietary institution with no institutional aid might be concerned with only one student cost of attendance (budget) and award only Federal Pell Grants and Federal Family Education Loans. A private, nonprofit institution with substantial institutional aid resources might be concerned with more than a dozen budgets, over a hundred aid sources, and a variety of packaging approaches tailored to different student groups. The level of automation supporting the packaging process also varies considerably.

Some institutions have developed highly customized and sophisticated systems to package aid awards. Other institutions continue to package awards manually, relying on the sharp eye, pencil, and calculator of the financial aid administrator to allocate funds to students.

While a multitude of policies and procedures exist, the following are common steps in determining a student's package:

- **Determine the student's (Cost of Attendance [COA]) budget.** How much it will cost the student to attend the institution, including tuition and fees, living expenses, and other allowable expenses.
- **Determine the student's Expected Family Contribution (EFC).** This is the amount the student's family is expected to contribute toward postsecondary education, as calculated by the Central Processing System.
- **Determine if outside resources exist.** Outside resources are those that are outside the control of the financial aid administrator; they include state grants, outside scholarships, and veteran's education benefits.
- **Calculate the Pell Grant award.** Federal Pell Grant awards are available to all undergraduate students who meet basic eligibility requirements and show need. The award amount is determined on the basis of the student's EFC, enrollment status, and cost of attendance budget.
- **Calculate remaining need.** Calculate this by using the following equation:

- ◊ Remaining need *equals Cost* of Attendance *minus* EFC *minus* Outside Resources *minus* Federal Pell Grant. For example, a calculation might look something like this:

  $2,900 - $900 - $350 - $1200 = $450.

- ◊ If the remaining need is a negative dollar amount, the student has no need for other funds.

- **Package campus funds.** The institution will package federal campus-based aid, institutional funds, and Direct Loans or Federal Family Education Loans according to the institution's packaging philosophy and observing federal guidelines for packaging and for minimum and maximum award amounts. The total amount packaged may not exceed the student's remaining need.

- **Calculate unmet need.** Many institutions are unable to satisfy a student's full need with campus funds. There is unmet need when the budget exceeds the sum of EFC, outside resources, Federal Pell Grant, and campus funds.

Objectives of the Packaging System

For 1995-96, an integrated PC software package will be distributed to all postsecondary institutions participating in the Electronic Data Exchange (EDE) program. It includes the packaging system EDExpress, used to manage federal application data transmitted through the GES network.

Three objectives will be accomplished by providing the packaging system (without charge) to EDE participants:

- Financial aid offices will have a tool to accurately and efficiently package federal and other student financial aid.
- Institutions will have an additional incentive for signing up for EDE.
- Schools participating in the William D. Ford Federal Direct Loan Program will have a tool with which to accurately and efficiently determine Direct Loan amounts.

Operating Environment

The packaging system will reside on an IBM PC (or 100% compatible personal computer), with a hard disk and diskette drive. To operate the software, the computer must have DOS version 3.3 or higher; an 486 processor or faster; and 620K of available conventional memory.

A printer also will be necessary to print award letters and other reports.

While a user will, at a minimum, need the above to run the software, ED recommends the following configuration:

- 486 processor
- 16 MB expanded memory
- 620K available conventional memory
- 300 MB of hard disk space
- DOS version 6.2
- HP Laser Printer

The packaging system will be installed within the financial aid office at participating institutions. Unlike EDExpress software, which allows use by students, personnel within the financial aid office will be the sole users of the packaging system.

Institutions may use the packaging system in one of two ways:

- **With ISIR Data**—The packaging system will be accessible from the EDExpress financial aid administration menu. The packaging system will, therefore, make use of ISIR data that has been loaded to the EDExpress database.

- **With SAR or ISIR Data**—The packaging system may be used as stand-alone software. Users may create a package using a paper SAR or ISIR as the input document.

Overview of Functional Requirements

Beginning in 1994-95, ED provided a packaging system containing the minimum set of functions needed to determine a financial aid package for a student. Such a system, which is provided without charge, can be readily adopted by institutions that have previously relied on calculators or spreadsheets to accomplish tasks.

ED recognizes that this type of packaging system initially won't be used by institutions with an investment in customized, sophisticated packaging systems. The plan is to expand the functions of the ED packaging software in future processing cycles so it will accommodate institutions with sophisticated packaging needs.

In consultation with an advisory group of representatives from six postsecondary institutions, ED identified the following as the *minimal* functional requirements for the packaging system put in place in 1994-95:

- **Funds maintenance**. The system allows the user to establish and maintain a record of information for each fund source offered by the institution.

- **Award packaging**. Based on information about a student and an institution-specific award methodology, the system allocates funds from a variety of sources to meet all or part of the student's need.

- **Document tracking**. Packaging provides a facility for recording information about documents required by the student in order to complete the application process, including when the document was requested and when it was received.

- **Reporting**. The system allows the user to print:

  - ◊ two management information reports for use in preparing the FISAP;

  - ◊ award letters;

  - ◊ document request letters; and

  - ◊ reports listing students whose aid has been packaged.

- **Export**. The system allows the user to export student information to an ASCII file for use in an external system.

- **Import**. The system allows the user to import ISIR data from the ISIR database for use in packaging.

- **Utilities**. The system allows the user to back up, restore, archive, recover, reorganize, clear, verify, and delete data used in the packaging process.

Appendix D - Sources and Citations

Precertification Training References

Session 1: Introduction to the Workshop and Training Materials

- Regulations, 34 CFR 668.14–Program Participation Agreement
- NASFAA's pamphlet, "On Choosing, Using, and Appraising a Student Financial Aid Consultant"

Session 2: Overview of the Title IV Programs

- Regulations, 34 CFR Parts:
  - 674 Federal Perkins Loan Program
  - 675 Federal Work-Study Program
  - 676 Federal Supplemental Educational Opportunity Grant
  - 682 Federal Family Education Loan Program
  - 685 William D. Ford Federal Direct Loan Program
  - 690 Federal Pell Grant Program
- *The 1995-96 Federal Student Financial Aid Handbook*, Chapters 4-8 and Chapter 10
- *The Student Guide, 1995-96*

Session 3: Student Eligibility

- Regulations, 34 CFR Parts:
  - 668 Student Assistance General Provisions
    - 668.7 Eligible Student
  - 668.15 Factors of financial responsibility
    - 668.19 Financial aid transcript
    - 668.32 Statement of Educational Purpose
    - 668.33 Statement of Registration Status
  - 674 Federal Perkins Loan Program
    - 674.9 Student eligibility
  - 675 Federal Work-Study Program
    - 675.9 Student eligibility
  - 676 Federal Supplemental Educational Opportunity Grant Program
    - 676.9 Student eligibility
  - 682 Federal Family Education Loan Program
    - 682.201 Eligible borrowers
  - 685 Federal Direct Loan Program
    - 685.200 Borrower Eligibility
  - 690 Pell Grant Program
    - 690.6 Duration of student eligibility
- Action Letter #10, May 1994 (INS Verification Number needed on INS secondary confirmation request form)
- *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 2
- *Federal Register*, December 19, 1990 (Ability to Benefit)
- *Federal Register*, March 16, 1994 -- (Social Security Number Database Match)
  - GEN-91-10 (Implementation of P.L. 101-508 regarding the admission of students on the basis of their ability to benefit)
  - GEN-91-20 (Description of statutory changes made by the Higher Education Technical Amendments of 1991, P.L. 102-26, to the Ability-to-Benefit provisions and third addition to list of tests approved by ED)
  - GEN-92-21 (Changes mandated by Higher Education Amendments of 1992)
- HEA Technical Amendments of 1991 (P.L. 101-26)

Session 4: Institutional Eligibility and Participation and Program Eligibility

Regulations, 34 CFR Parts:
- 600.4 Institution of higher education
- 600.5 Proprietary institution of higher education
- 600.6 Postsecondary vocational institution
- 668 Student Assistance Provisions
  - 668.8 Eligible program
  - 668.9 Relationship between clock hours and semester, trimester, or quarter hours in calculating Title IV, HEA program assistance
  - 668.12 Application procedures
  - 668.13 Certification procedures
  - 668.14 Program Participation Agreement
  - 668.15 Factors of financial responsibility
  - 668.16 Standards of administrative capability
  - 668.25 Contracts between an institution and a third-party servicer
  - 668.26 End of an institution's participation in Title IV, HEA programs
  - 668.32 Statement of Educational Purpose
  - 668 Subpart G Fine, Limitation, Suspension, and Termination Proceedings

The 1995-96 Federal Student Financial Aid Handbook, Chapters 2 and 3

DCL-GEN-95-26, May 1995

DCL-GEN-92-21, Sections:
- XXIX. Student Assistance General Provisions—Effective on the date of enactment
- XXX. Student Assistance General Provisions—Effective on and after October 1, 1992
- XXXI. Student Assistance General Provisions—Effective on and after July 1, 1993
- XXXV. Program Integrity Provisions, Part H–Subpart 1–State Postsecondary Review Program—Effective on and after October 1, 1992
- XXXVI. Program Integrity Provisions, Part H–Subpart 2–Accrediting Agency Approval—Effective on or after October 1, 1992
- XXXVII. Program Integrity Provisions, Part H–Subpart 3–Eligibility and Certification Procedures–Effective on and after October 1, 1992

DCL-GEN-93-29 (Informs schools about State Postsecondary Review Program)

Higher Education Amendments of 1992 (P. L. 102-325)

HEA Section 494 C (d)

Federal Register, April 29, 1994, 34 CFR Part 667 (State Postsecondary Review Program)

Federal Register, April 29, 1994, 34 CFR Part 668 (Eligible program, application and certification procedures, and Program Participation Agreement)

Federal Register, April 29, 1994, 34 CFR Part 602 (Secretary's Procedures and Criteria for Recognition of Accrediting Agencies)

Federal Register, April 29, 1994, 34 CFR Part 668 (Student Assistance General Provisions, Campus Safety)

Federal Register, April 29, 1994, 34 CFR Part 600 (Institutional Eligibility Under the Higher Education Act of 1965, as Amended)

Federal Register, November 29, 1994, 34 CFR Part 668 (Student Assistance General Provisions)

Session 5: Satisfactory Academic Progress

Regulations, 34 CFR Part 668

DCL-GEN-91-14

DCL-GEN-91-27

DCL-GEN-92-21

The 1995-96 Federal Student Financial Aid Handbook, Chapters 2 and 3

Federal Register, April 29, 1994, 34 CFR Part 668 (Student Assistance General Provisions)

Federal Register, November 29, 1994, 34 CFR Part 668 (Student Assistance General Provisions)

Session 6: Refunds and Repayments

Regulations, 34 CFR Parts:
- 668 Student Assistance General Provisions
  - 668.21 Treatment of Pell Grant, FSEOG, ICL, and Federal Perkins Loan program funds if the recipient withdraws, drop out, or is expelled before his or her first day of class
  - 668.22 Institutional refunds and repayments
  - 668.22 Appendix A
- 682 Federal Family Education Loan Program
  - 682.605 Determining the date of a student's withdrawal
  - 682.606 Refund policy
  - 682.607 Payment of a refund to a lender

Federal Register, June 8, 1993 Part III, 34 CFR Part 668 (factors involved when calculating noninstitutional cost)

Federal Register, April 29, 1994, 34 CFR Parts 668 (Institutional refunds and repayments)

Federal Register, November 29, 1994, 34 CFR Part 668 (Student Assistance General Provisions)

The 1995-96 Federal Student Financial Aid Handbook, Chapter 3

DCL-GEN-92-21, Section XXIX. Student Assistance General Provisions—Effective date of enactment, Part Q

Other References:
- DCL-GEN-88-32 (LD), September 1988

Session 7: CEO/President Responsibilities

Regulations, 34 CFR Part 668–Student Assistance General Provisions:
- 668.15 Factors of financial responsibility
- 668.16 Standards of administrative capability
- 668.17 Default reduction measures
- 668.22 Institutional refunds and repayments
- 668.23 Audits, records, and examination
- 668.24 Audit exceptions and repayments
- 668.44 Institutional information
- 668.82 Standard of conduct
- 668.83 Emergency action
- 668.84 Fine Proceedings
- 668-Subpart G Fine, Limitation, Suspension or Termination Proceedings

DCL-GEN-91-14 (Information concerning the Student Right-to-Know and Campus Security Act, P. L. 101-542)

DCL-GEN-91-27 (Information concerning P. L. 101-542, the Student Right-to-Know and Campus Security Act, as amended by P. L. 102-26, the Higher Education Technical Amendments of 1991)

DCL-GEN-92-21 (Changes mandated by Higher Education Amendments of 1992)

The 1995-96 Federal Student Financial Aid Handbook, Chapters 2 and 3

Federal Register, April 29, 1994, 34 CFR Part 668 (Student Assistance General Provisions, Campus Safety)

Session 8: Fiscal Officer Responsibilities

Regulations, 34 CFR Parts:
- 668 Student General Provisions
  - 668.15 Factors of financial responsibility
  - 668.22 Institutional refunds and repayments
  - 668.23 Audits, records, and examinations
- 674 Federal Perkins Loan Programs
  - 674.19 Fiscal procedures and records
  - 674-Subpart C Due Diligence
- 675 Federal Work-Study Program
  - 675.19 Fiscal procedures and records
- 676 Federal Supplemental Educational Opportunity Grant Program
  - 676.19 Fiscal procedures and records
- 682 Federal Family Education Loan (FFEL) Program

-
    -
        - 682.604 Processing the borrower's loan proceeds and counseling borrowers
        - 682.606 Refund policy
    - 690 Federal Pell Grant Program
        - 690.81 Fiscal control and fund accounting procedures
        - 690.82 Maintenance and retention of records
        - 690.83 Submission of reports
- *The 1995-96 Federal Student Financial Aid Handbook*, Chapters 3 and 6
- *The Blue Book*, Chapters 4 and 5
- *The ED/PMS Recipient's Guide*
- DCL-GEN-92-21 (Changes mandated by Higher Education Amendments of 1992)

Session 9: Financial Aid Administrator Responsibilities

- Regulations, 34 CFR Parts:
    - 668 Student Assistance General Provisions
        - 668.7 Eligible student
        - 668.16 Standards of administrative capability
        - 668.19 Financial aid transcript
        - 668.22 Institutional refunds and repayments
        - 668.23 Audits, records, and examinations
        - 668-Subpart C Statement of Educational Purpose and Selective Service Registration Status
        - 668-Subpart D Student Consumer Information Services
        - 668 Subpart E Verification of Student Aid Application Information
    - 674 Federal Perkins Loan Program
        - 674.2 Definitions
        - 674.19 Fiscal procedures and records
    - 675 Federal Work-Study Program
        - 675.2 Definitions
        - 675.19 Fiscal procedures and records
    - 676 Federal Supplemental Educational Opportunity Grant Program
        - 676.2 Definitions
        - 676.19 Fiscal procedures and records
    - 682 Federal Family Education Loan (FFEL) Program
        - 682.606 Refund policy
    - 690 Federal Pell Grant Program
        - 690.2 General definition
- HEA of 1986-Part A, Section 441F
- HEA of 1986-Part F, Section 473-478
- *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 3

Session 10: Evaluation

- Regulations, 34 CFR Parts:
    - 668 Student Assistance General Provisions
        - 668.23 Audits, records, and examination
        - 668.24 Audit exceptions and repayments
- *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 3, Section 7
- *The Audit Guide (1990)*
- DCL-GEN-90-13 (Transmittal of Audit Guide)
- DCL-GEN-92-17 (Student Financial Aid Audit Guide Update)
- DCL-GEN-92-21 (Changes mandated by Higher Education Amendments of 1992)
- DCL-GEN-93-29 (Informs schools about State Postsecondary Review Program)
- *The Blue Book*
- *The Recipient's Guide for the Payment Management System*
- *Federal Register*, April 29, 1994, 34 CFR Part 667 (State Postsecondary Review Program)
- *Federal Register*, April 29, 1994, 34 CFR Parts 668, 682, and 690 (Audits, records, and examinations)
- *Federal Register*, April 29, 1994, 34 CFR Part 602 (Procedures and Criteria for Recognition of Accrediting Agencies)

Session 11: General Administration Wrap-Up and Evaluation

- No references

Session 12: The Free Application for Federal Student Aid

Regulations, 34 CFR Parts:
- 690 Federal Pell Grant Program
- 668 Student Assistance General Provisions

Action Letter #1, August 1994, (Describes the Renewal FAFSA)

Action Letter #2, September 1994, (Describes the electronic Renewal FAFSA process)

Action Letter #3, September 1994, (Describes changes to the 1995-96 processing system, the FAFSA and the SAR)

Action Letter #5, October 1994, (Describes the telecommunications services provided under the GES system and the procedures for an institution to enroll for 1995-96)

The 1995-96 Federal Student Financial Aid Handbook, Chapter 2, Section 2

Title IV Institutional Code List

Session 13 : Applying for Title IV Aid

The 1995-96 Federal Student Financial Aid Handbook, Chapters 4-10

Action Letter #1, August 1994, (Describes the Renewal FAFSA)

Action Letter #2, September 1994, (Describes the electronic Renewal FAFSA process)

Action Letter #3, September 1994, (Describes changes to the 1995-96 processing system, the FAFSA and the SAR)

Action Letter #5, October 1994, (Describes the telecommunications services provided under the GES system and the procedures for an institution to enroll for 1995-96)

The Student Guide, 1995-96

Session 14: Federal Need Analysis

Action Letter #9, February 1995, (Provides a 1995 SAR and ISIR Guide)

The 1995-96 Federal Student Financial Aid Handbook, Chapter 2

HEA, Part A, Section 411, and Part F, Section 479A

DCL-GEN-92-21, Section XXXIV. Need Analysis–Effective for Award Years Beginning on or After July 1, 1993

Session 15: Federal Output Documents

Regulations, 34 CFR Part 690–The Pell Grant Program

Action Letter #2, September 1994, (Describes changes to the 1995-96 processing system, the FAFSA and the SAR)

Action Letter #5, October 1994, (Describes the telecommunications services provided under the GES system and the procedures for an institution to enroll for 1995-96)

Action Letter #9, February 1995, (Provides a 1995-96 SAR and ISIR Guide)

Other References:
- DCL-P-92-12 (Title IV default match)
- DCL-GEN-92 (Introduces an expanded system for identifying Title IV financial aid applicants who are in default on Title IV Student Loans)
- DCL-P-91-6 (Pell Statement of Account)
- DCL-P-94-1 (Describes the 1994-95 Federal Pell Grant Program payment and disbursement schedule)

The 1995-96 EDExpress User's Guide

The 1995-96 Federal Student Financial Aid Handbook, Chapter 4, Introduction and Section 7

Session 16: Verification, Updating, and Corrections

Regulations, 34 CFR Part 668, Subpart E

1995-96 Verification Guide

The 1995-96 Federal Student Financial Aid Handbook, Chapter 2

DCL-P-94-7

DCL-GEN-92-21 (Changes mandated by Higher Education Amendments of 1992)

Federal Register June 30, 1995 34 CFR Part 668.57 and 668.59

Federal Register April 28, 1994, 34 CFR Part 668 (Verification)

Federal Register-NPRM, April 28, 1994, 34 CFR Part 668 (Pending changes to percentage of applicants

to be selected for verification and dollar tolerances)
Federal Register, November 29, 1994, 34 CFR 668 (Student Assistance General Provisions)
Other References:
Federal Register, August 27, 1992
Federal Register, December 2, 1991
DCL-GEN-92-14 (Provides information concerning current verification issues)
DCL-GEN-91-16 (Provides information concerning current verification issues)

Session 17: Calculating Cost of Attendance
The 1995-96 Federal Student Financial Aid Handbook, Chapter 2, Section 2
DCL-GEN-92-21, Section XXXIV. Need Analysis–Effective for Award Years Beginning on or After July 1, 1993, Part C.

Session 18: The Campus-Based Programs
Regulations, 34 CFR Parts:
674 Federal Perkins Loan
675 Federal Work Study
676 Federal Supplemental Educational Opportunity Grant Program
The 1995-96 Federal Student Financial Aid Handbook, Chapters 5-8
DCL-CB-93-9
DCL-CB-94-4 (Provides guidance on community service jobs)
DCL-CB-93-4 (Information about revised Federal Perkins Loan/NDSL promissory notes)
DCL-CB-92-13 (Selected provisions of the Higher Education Amendments of 1992)
DCL-CB-91-8 (Provides guidance on the selection of recipients under the Federal Supplemental Educational Opportunity Grant Program)
DCL-GEN-92-21, Sections:
IX. Federal Supplemental Educational Opportunity Grant Program—Effective on the date of enactment
X. Federal Supplemental Educational Opportunity Grant Program—Effective for the award years beginning on or after July 1, 1993
XI. Federal Work-Study Program—Effective on the date of enactment
XII. Federal Work-Study Program—Effective October 1, 1992
XII. Federal Work-Study Program—Effective beginning with the 1994-95 Award Year
XIV. Federal Work-Study Program—Effective beginning with the 1994-95 Award Year
XVII. Federal Perkins Loan Program—Effective on the date of enactment
XVIII. Federal Perkins Loan Program—Applicable with respect to loans for which the first disbursement is made on or after October 1, 1992
XIX. Federal Perkins Loan Program—Effective for the award years beginning on or after July 1, 1993
XX. Federal Perkins Loan Program—Effective for loans for which the first disbursement is made on or after July 1, 1993
Other References:
DCL-CB-91-6
DCL-CB-90-2
DCL-CB-90-24
DCL-GEN-89-58
DCL-GEN-90-33
DCL-GEN-90-41
DCL-GEN-91-11

Session 19: Processing Campus-Based Awards
Regulations, 34 CFR Parts:
674 Federal Perkins Loan
675 Federal Work Study
676 Federal Supplemental Educational Opportunity Grant Program
The 1995-96 Federal Student Financial Aid Handbook,
Chapter 6, Section 2
Chapter 7, Sections 3 and 4
Chapter 8, Section 2

Session 20: Packaging

- Regulations, 34 CFR Parts:
  - 674 Federal Perkins Loan
    - 674.9 Student eligibility
    - 674.10 Selection of students for loans
    - 674.14 Overaward
    - 674.12 Loan maximums
    - 674.15 Coordination with BIA grants
  - 675 Federal Work-Study Program
  - 676 Federal Supplemental Educational Opportunity Grant Program
    - 676.20 Minimum and maximum FSEOG awards
- *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 2, Chapter 8, Section 1
- DCL-P-95-1 (Federal Pell Grant Program payment and disbursement schedules)

Session 21: Adjustments and Professional Judgment

- Action Letter #9, February 1995, (Provides a 1995-96 SAR and ISIR Guide)
- *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 2
- DCL-GEN-92-21, Section XXXIV. Need Analysis–Effective for Award Years Beginning on or After July 1, 1993, Part E

Session 22a and 22b: Calculating Federal Pell Cost of Attendance

- *The 1995-96 Federal Student Financial Aid Handbook*, Sections 2 and 3
- DCL-GEN-92-21, Section XXVII. (Federal Pell Grant Program–Effective for the 1993-94 Award Year)

Session 23 The Payment Voucher, Institutional Summary, and Related Reports

- Regulations, 34 CFR 690–The Federal Pell Grant Program
- *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 4
- Action Letter #5, February 1995, (Describes the telecommunications services provided under the GES system and the procedures for an institution to enroll for 1995-96)
- Action Letter #9, February 1995, (Provides a 1995-96 SAR and ISIR Guide)
- DCL-P-95-1 (Provides information concerning the initial 1995-96 Institutional Payment Summary and Pell Grant Statement of Accounts)

Session 24: Federal Family Education Loan Program and William D. Ford Federal Direct Loan Program

- Regulations 34 CFR Part 682–The Federal Family Education Loan Program
- *Federal Register*, November 30, 1994, CFR Parts 668 and 682
- Regulations 34 CFR Part 685
- Default Reduction Regulations of June 5, 1989, Appendix D
- *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 10
- DCL-GEN-91-11 (Supplement of information in Chapters 2, 3, 4, 6, and 10 of the 1990-91 FAA Handbook)
- DCL-GEN-92-21 Section I, Federal Family Education Loan Program
- DCL-93-L-161 (Describes major changes to the FFEL Program by the Omnibus Budget Reconciliation Act)
- DCL-93-G-246
- DCL-93-S-71
- DCL-DL-94-7
- Higher Education Amendments of 1992 (P. L. 102-325)
- The Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66)
- *Federal Register*, April 29, 1994, 34 CFR Part 668 FFEL Program–determination of institutional cohort default rates)
- *Federal Register*, April 29, 1994, 34 CFR Part 682 (FFEL Program)

Session 25: Certifying and Delivering Federal Family Education Loans

- Regulations, 34 CFR Part 682
- *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 10

DCL-93-L-161 (Describes major changes to the FFEL Program by the Omnibus Budget Reconciliation Act)
DCL-93-G-246
DCL-93-S-71
The Omnibus Budget Reconciliation Act of 1993 (P.L. 103-66)
Federal Register, April 29, 1994, 34 CFR Part 682 (False certification of a loan by a school)
Other references:
  DCL-92-S-66 (The use of identification number when certifying Federal Family Education Loans)
  DCL-GEN-91-19 (Statutory changes made by the Higher Education Technical Amendments of 1991)
  DCL-GEN-91-11 (Provides information on the treatment of Title IV assistance applicants affected by Operation Desert Storm)
  DCL-GEN-90-41 (Statutory changes made by P. L. 101-508, P. L. 101-517, P. L. 101-647)
  DCL-GEN-90-33 (Provides additional information about changes made to P. L. 101-166 and P. L. 101-239)
  DCL-GEN-90-25 (Provides additional guidance regarding the provisions of the default reduction initiative)
  DCL-90-S-6 (Guidance on the default initiative)

Session 26: Overpayments and Overawards

Regulations, 34 CFR Parts:
  668 Student Assistance General Provisions
  674 Federal Perkins Loan Program
  675 Federal Work-Study Program
  676 Federal Supplemental Educational Opportunity Grant
  690 Pell Grant Program
The 1995-96 Federal Student Financial Aid Handbook,
  Chapter 2, Section 2
  Chapter 4, Section 6
  Chapter 5, Section 2
  Chapter 7, Sections 2 and 3
  Chapter 10, Section 7, pages 10-86 to 10-88
1995-96 Verification Guide
Other references:
  DCL-GEN-90-33 (Provides additional information about changes made to P. L. 101-166 and P. L. 101-239)
  DCL-P-94-2

Session 27: Title IV Reporting Requirements

Regulations, 34 CFR Parts:
  668 Student Assistance General Provisions
  674 Perkins Loan Program
  675 Federal Work-Study Program
  676 Federal Supplemental Educational Opportunity Grant
  682 Federal Family Education Loan Program
  690 Pell Grant Program
The 1995-96 Federal Student Financial Aid Handbook, Chapters 4, 5, and 10
The Blue Book, Chapters 4 and 6
The Recipient's Guide to the Payment Management System
DCL-GEN-92-21 (Changes mandated by Higher Education Amendments of 1992)
DCL-CB-94-9 (Provides information regarding changes in the 1993-94 Fiscal Operations Report/1995-96 Application to Participate [FISAP])
Federal Register, April 29, 1994, 34 CFR Part 668 (Student Assistance General Provisions)
DCL-P-94-4

Session 28: Review of Title IV Program Delivery and Evaluating the Workshop

No references

The Legislative, Regulatory, and Policymaking Processes

Title IV student aid administration is affected by both the Legislative (Congress) and Executive Branches (specifically, the U. S. Department of Education) of the federal government. A school that understands how the process works can be actively involved in the operation of federal aid programs. There are several important steps in the legislative process.

How A Bill Becomes a Law

An idea is drafted into a bill, by one or more members of Congress. It is presented to be examined by appropriate Congressional committees that hear testimony about the bill and its possible impact, then alter or rewrite the bill. The committees that deal with postsecondary education issues are:

- The Senate Committee on Labor and Human Resources, and
    - ◊ the Subcommittee on Education, Arts, and Humanities.
- The House Committee on Education and Labor, and
    - ◊ the Subcommittee on Postsecondary Education.

If the bill is passed by both houses of Congress (by majority vote), it becomes law the day it is signed by the President. However, many laws incorporate specific subsequent effective dates.

Laws are numbered in two parts, as in the following example:

P.L. 101 - 12

"P.L." stands for Public Law. "101" designates that the law was passed by the 101st Congress. "12" indicates that the law was the 12th law to be passed by that Congress.

Further divisions of the law are numbered according to the following structure:

Title [Title IV]
Part [Part A]
Subpart [Subpart 1]
Section [Section 413]
subsection [subsection (a)]
paragraph [paragraph (1)]
subparagraph [subpargraph (A)]
division [division (i)]
clause [clause (I)]

All current laws become part of the U. S. Code. The laws governing Title IV student aid programs are found in the Higher Education Act (HEA), which is designated in the U. S. Code as 20 USC 1070.

Laws governing the management of Title IV programs are usually reauthorized every five to six years.

Types of Legislation

There are two types of legislation significant to student aid administration:

- Authorizing Legislation, which
    - ◊ establishes programs,
    - ◊ specifies program purpose, and
    - ◊ sets spending ceilings.

Generally, legislation affecting student aid programs is a reauthorization of or an amendment to the Higher Education Act (HEA).

However, other laws may affect student aid, as will be shown later.

- Appropriating Legislation, which
  - ◊ assigns dollar amounts and
  - ◊ designates the time for the amount.

Because the annual federal funding year differs from school award and academic years, Title IV programs are forward funded. For example, Title IV funds were appropriated in the fall of 1994 for the 1995 fiscal year. Those funds couldn't be used until July 1995, the beginning of the 1995-96 award year.

Why ED Regulates

A law may not be specific; it may need interpretation through regulations. In fact, some laws specifically direct that clarifying regulations be issued. However, sometimes law will prohibit the issuance of regulations for a law. Regulations do not change the law; they merely explain and specify its intent, and, sometimes, set forth procedures. Regulations are often issued in response to changes in departmental policies or procedures and to combat administrative problems and program abuse.

Types of Regulations

There are basically two types of regulations: NPRM (Notice of Proposed Rulemaking) and Final Regulations. An NPRM is just a proposal; it notifies the public that regulations are about to be issued and it offers the public an opportunity to comment on those regulations. (Occasionally, ED will publish a Request for Comment, to solicit public comments prior to developing proposed regulations.)

The comment period for an NPRM varies, but is normally 30 to 60 days. After the comment period, Final Regulations are developed and issued. These final regulations are usually effective 45 days after issue, or are assigned a specific effective date. According to the "master calendar" in the HEA, all regulations must be issued by December 1 to be effective on July 1 of the next award year.

Interim Final Regulations are published when quick action is needed.

Final regulations have the force of law. Regulatory violations may lead to administrative action against a school and/or required repayment of funds.

All final regulations are published in the *Federal Register* and become part of the Code of Federal Regulations (CFR). All Title IV regulations are found in Title 34 of the CFR. Within 34 CFR, each major program and each of the general requirements has a specific Part designation number:

1. Institutional Eligibility—**600**
2. Student Assistance General Provisions—**668**
3. Federal Perkins Loan Program—**674**
4. Federal Work-Study Program—**675**
5. Federal Supplemental Educational Opportunity Grant—**676**
6. Federal Family Education Loan Program—**682**
7. William D. Ford Federal Direct Loan Program—**685**
8. Federal Pell Grant—**690**

Further divisions of the CFR are numbered according to the following structure:

- **Part** [such as Part 668]
  - **Subpart** [such as Subpart A]
    - **Section** [such as 668.3]
      - **Subsection** [such as 668.3(a)]
        - **Paragraph** [such as 668.3(a)(1)]
          - **Subparagraph** [such as 668.3(a)(1)(i)]

Notices

Sometimes ED will publish Notices in the *Federal Register*. These are official notifications of action to be taken by ED or by the public.

Policy Interpretation

As a result of public questions, administrative problems, and internal procedural changes, it is sometimes necessary for ED to more specifically interpret regulatory language. These interpretations are official policy and represent the departmental position on an issue. Policy interpretations cannot supersede or override the law.

Dissemination of Information

Policy is regularly disseminated to the public by ED through one or more of the following publications, which are sent to every participating Title IV school.

1. Federal Register Reprints
2. Dear Colleague Letters (DCL)—DCLs are designated, according to subject matter, as follows:
   a. General (applies to all programs)—**GEN**
   b. Campus-based programs—**CB**
   c. Pell Grant Program—**P**
   d. Federal Family Education Loan Program (Guaranty Agencies—**G**, Schools—**S**, and Lenders—**L**)
   e. Federal Direct Loan Program—**DL**
   f. Limited distribution (to special audiences)—**LD**
   g. State (SSIG)—**SG**
3. Q & A Letters
4. Annual Office of Postsecondary Education (OPE) Publications

OPE publications and documents are also posted on ED's electronic bulletin board.

The School's Role and Responsibility

It is a school's responsibility to know how to understand, use, and act on information contained in OPE's regular mailings.

On receiving any document or publication from OPE, school staff should:

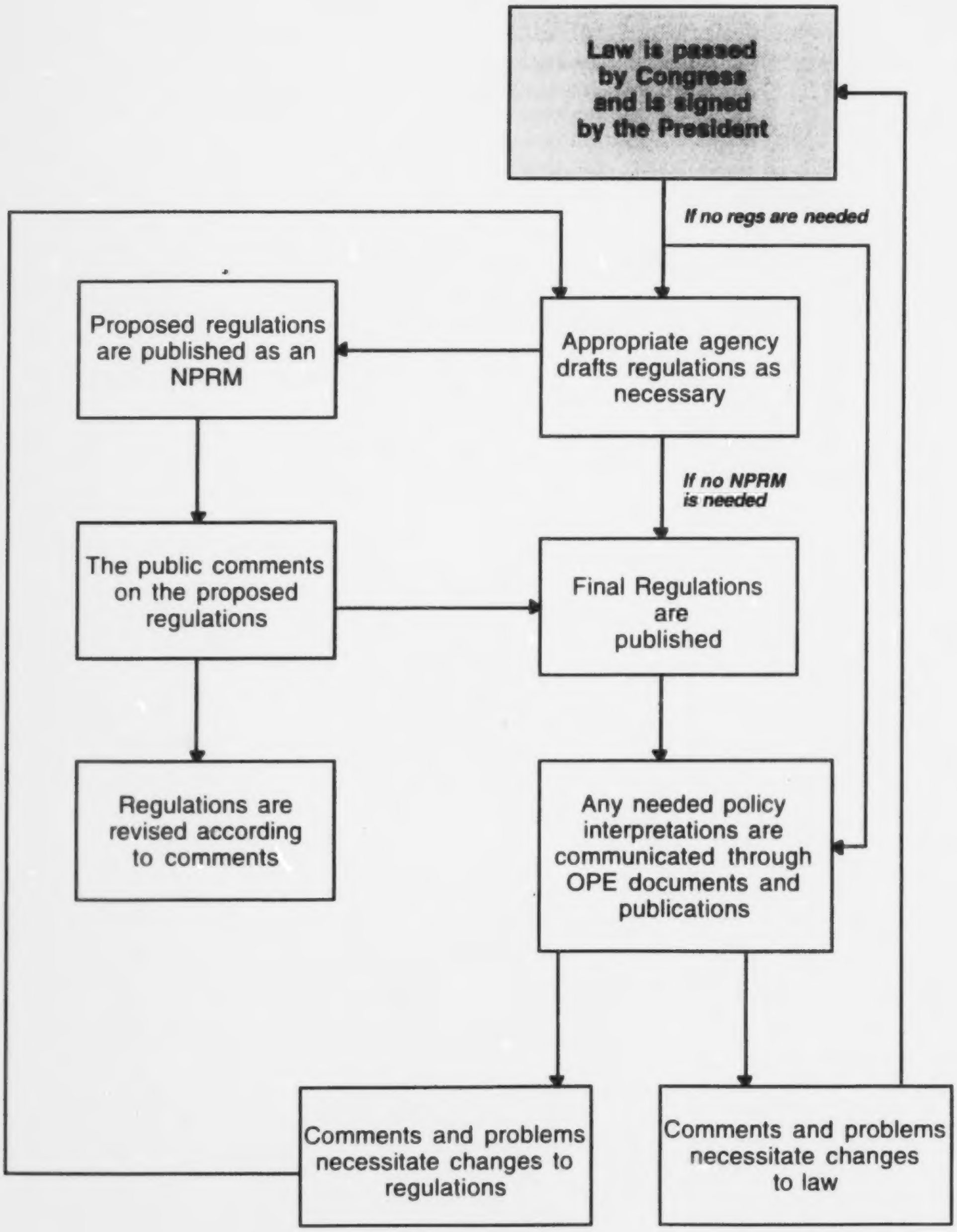
1. Read and/or study the information carefully.
2. Act on the information as necessary.
3. Distribute the information to all involved offices or individuals.
4. File the document or publication for easy reference and future use.

Schools participating in Title IV programs have several opportunities to affect the administration of federal student financial aid:

1. Testimony and comment before Congressional committees.
2. Written comment to NPRMs.
3. Participation in professional associations that are involved in the process.
4. Contact with local representatives in Congress.

A flowchart of the Legislative, Regulatory, and Policymaking processes is on the next page.

The Legislative, Regulatory, and Policymaking Processes


Law is passed by Congress and is signed by the President
If no regs are needed
Proposed regulations are published as an NPRM
Appropriate agency drafts regulations as necessary
If no NPRM is needed
The public comments on the proposed regulations
Final Regulations are published
Regulations are revised according to comments
Any needed policy interpretations are communicated through OPE documents and publications
Comments and problems necessitate changes to regulations
Comments and problems necessitate changes to law

1995-96 FINANCIAL AID CALENDAR

Important Dates and Deadlines in Administering Federal Student Financial Aid Programs

Training and Program Information Division
Student Financial Assistance Programs
Office of Postsecondary Education
U. S. Department of Education

Appendix E - Introduction to the Financial Aid Calendar

The 1995-96 Financial Aid Calendar was developed to help financial aid administrators identify when deadlines must be met and when they can expect to receive certain items from the U.S. Department of Education (ED).

"Financial Aid Calendar References and Specific Rules," which may be helpful in managing Title IV programs, begins on page E-15. The items in that section are intended for quick reference only. *The 1995-96 Federal Student Financial Aid Handbook* and regulations provide more specific information.

Keep in mind that regulations governing the federal student financial aid programs are often amended. You will find it necessary to update and revise your calendar as you receive notices of any changes.

Each institution must determine the most effective way to operate its financial aid office. Because schools vary in the size and scope of their financial aid programs, it is inappropriate to suggest that there is any one best way to administer a financial aid office. Nevertheless, due to many requests for guidelines to follow throughout the year, especially from schools that are new to Title IV programs, ED offers the following suggestions.

Administering a financial aid office:

- Provide adequate staff to ensure a proper division of responsibilities.
- Define staff roles.
- Develop and maintain a policy and procedures manual.
- Establish and maintain a file of ED-issued Dear Colleague letters.
- Maintain an up-to-date collection of statutory and regulatory requirements for administering Title IV programs.
- Maintain a library of resource materials, including the *Audit Guide, The 1995-96 Federal Student Financial Aid Handbook,* and *The Blue Book.* Appendices C and D of the Participant's Guide will be helpful in creating your library.

Staff-related functions:

- Identify training opportunities, such as those provided by ED and professional associations. Determine staff members from various offices (business office, financial aid office, and so on) who should attend these sessions.
- Plan for regularly scheduled staff meetings, in-house training, and the like.
- Schedule vacations so that appropriate staff is available during critical periods.

Scheduling:

- Determine due dates for any internal financial aid reports, for reports due to federal and state agencies, and for any scholarship reports.
- Determine specific deadlines your school must meet.
- Coordinate activities with related offices, such as the admissions office and business office.
- Determine when to develop the upcoming year's financial aid calendar.

Audits and self-evaluation:

- Identify time frames for required audits and any optional self-evaluations.
- Conduct documentation reviews of student files for compliance.

Forms and brochures:

- Review and update all institutional brochures and consumer information regularly. Allow time for printing.

- Request or produce necessary financial aid forms in a timely manner to assure adequate supplies.
- Publish deadlines and priority dates by which applicants must complete and return all student financial aid forms and documentation.

Letters, reminders, and so on:

- Provide enrolled and entering students with need analysis forms.
- Determine dates for mailing out award letters, if applicable.
- Identify dates to send out various types of reminders and notices to students about loan counseling sessions.
- Determine dates for sending any necessary forms or reports to ED.

Arranging interviews and counseling:

- Schedule group sessions for new students interested in financial aid.
- Schedule entrance and exit loan counseling for Federal Perkins, Federal Stafford, and Federal Direct Loan borrowers.
- Schedule interviews for verification, when necessary.

Satisfactory academic progress:

- Determine the borrower's satisfactory academic progress before making each Title IV disbursement (except FWS).
- If necessary, send letters, schedule interviews, and/or determine specific times when appeals will be considered.

Campus-based programs:

- Update the ED-required Lobbying Disclosure form quarterly, if necessary.
- Reconcile monthly campus-based fiscal operations.
- Federal Work-Study:
    - ◊ Locate student positions on campus and off campus, as needed.
    - ◊ Determine times for reconciling FWS payroll.
    - ◊ Coordinate FWS payroll activities (determine who is responsible for placing students, submitting time sheets, and monitoring earnings).

Federal Pell Grants:

- Reconcile Pell Student Payment Summary reports with Pell Grant disbursement ledgers quarterly.
- Amend reporting on expected disbursements as necessary for students who have withdrawn or graduated.
- Schedule meetings with the business office to make sure program refunds are made within a 30-day period and that the Pell Payment Summary (final report) agrees with the final general ledger and FISAP.
- Reconcile internal Pell Grant disbursement records monthly.

Direct Loans:

- Reconcile monthly.
- Review error reports.

JULY 1995

Variable	Quarterly ED/PMS 272 reports for campus-based programs, Federal Pell Grant Program, and Direct Loan Program mailed to institutions.
July 1	Beginning of new federal student aid award year.
July 28	Deadline for institutions to send reallocation forms to ED to release 1994-95 unexpended balances for campus-based programs.
July 31	ED issues 1995 Federal Perkins Loan teaching service cancellation reimbursements to institutions.
July 31	Schools must report to ED if their percentage of correspondence, incarcerated, or ATB students, or correspondence courses exceed applicable limits.

AUGUST 1995

Variable	Quarterly ED/PMS 272 and 272-A Reports for the Pell Grant Program and campus-based programs due approximately six weeks after receipt.
Aug. 1	The 1994-95 Fiscal Operations Report and 1996-97 Application to Participate (FISAP) in the Federal Perkins Loan, FSEOG, and FWS Programs and drug-free workplace, anti-lobbying, and debarment certification forms are distributed to institutions by ED.
Aug. 15	End of the 1994-95 April 16 - August 15 Institutional Payment Summary (IPS) reporting period for institutions with less than $750,000 prior year authorizations; end of the 1994-95 June 16 - August 15 reporting period for institutions with $750,000 or more prior year authorizations. (Reports may be submitted at any time during this reporting period.)
Aug. 31	ED disseminates 1995-96 directory listing of designated low-income schools for teacher cancellation benefits under the National Defense/Direct and Perkins Loan Programs.
Aug. 31	Federal Perkins Loan participant schools must submit annual Safeguard Activity Reports to maintain eligibility to participate in the IRS/ED Skip-Tracing Service.

SEPTEMBER 1995

Variable	ED publishes Fall Financial Aid Training Calendar.
Variable	Update Disclosure of Lobbying Activities form, if applicable, for campus-based programs.
Aug. 28	Deadline for a student undergoing verification to submit a reprocessed 1994-95 SAR or ISIR to the financial aid officer (August 28 or 60 days after date of last day of enrollment, whichever comes first).
Sept. 1	Publish and distribute annual institutional security report.
Sept. 4	Suggested date for Institutions of Higher Education (IHEs) to submit drug-prevention certifications to ED.
Sept. 25	Last date to request FY 1993 cohort default rate backup data for Stafford and SLS Programs.
Late Sept.	Supplemental allocations for 1995-96 campus-based programs distributed to participating schools.
Sept. 30	Deadline for final IPS reporting for 1994-95.

OCTOBER 1995

Variable	Quarterly ED/PMS 272 and 272-A Reports for campus-based programs, Federal Pell Grant Program, and Direct Loan Program mailed to institutions.
Variable	FFEL Program Student Status Confirmation Reports mailed and due back within 60 days of receipt.
Sept. 29	Last date for electronic 1996-97 FISAP transmission and postmark for drug-free workplace, anti-lobbying, and debarment certifications.
Oct. 1	Deadline for an institution to certify to ED that it has adopted and implemented a program to prevent the illicit use of drugs and the abuse of alcohol by students and employees.
Oct. 1	Deadline for ED's receipt of the 1994-95 Paul Douglas Teacher Scholarship Program Performance Report.
Oct. 15	End of 1995-96 July 1 - October 15 Institutional Payment Summary (IPS) reporting period for institutions whose prior year authorizations were $750,000 or greater.

NOVEMBER 1995

Variable	Quarterly ED/PMS 272 and 272-A Reports due approximately six weeks after receipt.
Variable	1996-97 Renewal FAFSA and instructions scheduled for distribution to students.
Nov. 1	1996-97 Free Application for Federal Student Aid (FAFSA) forms and instructions scheduled for distribution to institutions.
Nov. 15	Institutions receive 1994-95 FISAP edits and computer printouts.

DECEMBER 1995

Variable	Update Disclosure of Lobbying Activities form, if applicable, for campus-based programs.
Dec. 3	Deadline for transmitting 1994-95 FISAP corrections and edits to ED.
Dec. 15	End of the 1995-96 July 1 - December 15 Institutional Payment Summary (IPS) reporting period for institutions whose prior year authorizations were less than $750,000; and for the 1995-96 October 16 - December 15 reporting period for institutions with $750,000 or more prior year authorizations.

JANUARY 1996

Variable	Quarterly ED/PMS 272 Reports for campus-based programs and the Federal Pell Grant Program mailed to institutions.
Variable	ED's 1996-97 Delivery System Training begins and continues for approximately ten weeks at approximately 60 sites nationwide.
Variable	ED publishes Winter Financial Aid Training Calendar.
First week of January	Students begin applying for financial aid for the 1996-97 academic year.
Jan. 11	Institutions applying for participation in one or more of the campus-based programs for the first time in 1996-97 must submit to ED's Institutional Participation Division all documents required for determining eligibility.

FEBRUARY 1996

Variable	Quarterly ED/PMS 272 and 272-A Reports for campus-based programs, Federal Pell Grant Program, and Direct Loan Program due approximately six weeks after receipt.
Feb. 1	ED makes final 1996-97 Pell Grant Payment Schedule available to institutions.
Feb. 1	ED makes tentative 1996-97 campus-based program funding levels available to institutions.
Feb. 15	End of 1995-96 December 16 - February 15 Institutional Payment Summary (IPS) reporting period for institutions whose prior year authorizations were $750,000 or greater.

MARCH 1996

Variable	Update Disclosure of Lobbying Activities form, if applicable, for campus-based programs.
Variable	Final Pell Grant Administrative Cost Allowance payment for 1994-95 mailed to institutions.
Variable	Final 1994-95 Federal Pell Grant Student Payment Summary mailed to schools.
First week of March	Deadline for institutions to file waiver or appeal of loss of FWS and/or FSEOG or the basis of under utilization.

APRIL 1996

Variable	Quarterly ED/PMS 272 and 272-A Reports for campus-based programs, Federal Pell Grant Program, and Direct Loan Program mailed to institutions.
April 1	1996-97 final campus-based allocation letters mailed to institutions.
April 15	End of the 1995-96 December 16 - April 15 Institutional Payment Summary (IPS) reporting period for institutions whose prior year authorizations were less than $750,000; and the 1995-96 February 16 - April 15 reporting period for institutions with $750,000 or more prior year authorizations.
April 30	ED issues addendum listing to the 1995-96 Low-Income School Directory for Federal Perkins Loan teacher cancellation benefits.

MAY 1996

Variable	ED publishes Summer Financial Aid Training Calendar.
Variable	Quarterly ED/PMS 272 and 272-A Reports for campus-based programs, Federal Pell Grant Program, and Direct Loan Program due approximately six weeks after receipt.
May 1	Student aid applications (FAFSAs) for the 1995-96 award year must be received by a federal processor by this date.
May 3	Anti-Lobbying Certification forms must be returned to ED by schools with campus-based programs with allocations exceeding $100,000.

JUNE 1996

Variable	Update Disclosure of Lobbying Activities form, if applicable, for campus-based programs.
June 1	1996-97 Initial Pell Statement of Accounts, Institutional Payment Summary (IPS), and instructions mailed to schools.
June 15	End of 1995-96 April 16 - June 15 IPS reporting period for institutions whose prior year authorizations were $750,000 or greater.
June 30	Deadline for a student to submit a valid 1995-96 SAR to the financial aid administrator or certify his or her final, correct application information. (The deadline is June 30 or the last day of enrollment in award year, whichever comes first. If the date falls on a weekend or holiday, the deadline then falls on the next business day.)
June 30	Deadline for excess Perkins Loan cash on hand to be returned to ED.
June 30	ED issues approval/denial letters for institutional requests for 1996-97 waivers of Federal Work-Study and FSEOG institutional share requirements.
June 30	All 1995-96 FSEOG, FWS, and Federal Perkins allocations must be awarded and disbursed.

Financial Aid Calendar References and Specific Rules

Academic Year:

A time period of at least 30 instructional weeks in which a full-time undergraduate student is expected to complete:

- 24 semester or trimester hours or 36 quarter hours at an institution using credit hours in an educational program whose length is measured in credit hours, *or*
- at least 900 clock hours at an institution using clock hours.

Allocations and Authorization:

The term "allocation" refers to the approved level of federal funding for a campus-based program for the award year. The term "authorization" refers to the approved level of federal funding for the Pell Grant Program.

- A Federal Pell Grant institutional participant receives a monthly Statement of Account (SOA). The first SOA for the award year indicates the initial Pell Grant authorization level.
- To receive an annual allocation for one or more of the campus-based programs, an institution must send an application—the Fiscal Operations Report and Application to Participate (FISAP) in the Federal Perkins Loan, FSEOG, and FWS programs—to the U.S. Department of Education (ED) on or before October 1 about one-and-one half years before the start of the award year. A participating school that is eligible and certified and has submitted an application will receive tentative notice of funding the following February. This letter will list the institution's tentative federal allocation for each of its campus-based programs. Applicant institutions that are eligible, but not certified by February, will receive their allocations if and when they become certified later in the year.

Audits (Federal):

A school has 35 days to respond to ED, in writing, to provide explanations and justifications after receiving a notice of questionable expenditures from ED's Office of Inspector General (OIG).

A school has 45 days in which to **appeal** an audit or program review determination.

A school must **repay** any improperly spent funds within 45 days.

- Records questioned in an audit must be kept until questions are resolved and a final letter of determination from ED is received.

Audits (Nonfederal):

All schools participating in Title IV programs are required to have nonfederal (compliance) audits every year. There are three categories of nonfederal audits: (1) audits in accordance with the Single Audit Act of 1984 and Office of Management and Budget (OMB) Circulars A-110 and A-128, (2) audits in accordance with OMB Circular A-133, and (3) audits for proprietary schools.

- The Single Audit Act of 1984, OMB Circular A-128, affects public colleges and universities of state or local governmental entities that receive funds from more than one federal agency. They may satisfy their audit requirement by obtaining combined audits of all their federal programs in accordance with this legislation.
- OMB Circular A-110 permits private nonprofit institutions to combine their audits.
- Some institutions of higher education and other nonprofit institutions may satisfy the audit requirement with an audit in accordance with OMB Circular A-133.

Proprietary schools undergoing audits follow the instructions in the *Audit Guide* published by ED.

Audits (Nonfederal) (*continued):*

For all schools undergoing any type of nonfederal audit, the due date for submitting audit reports to ED is six months after the end of its fiscal year. See Chapter 3 of *The 1995-96 Federal Student Financial Aid Handbook* for information on the deadline by which annual audits must be filed.

Award Year:

A financial aid award year is the period of time between July 1 of one year and June 30 of the following calendar year.

- For the Robert C. Byrd Honors Scholarship only, the award year is April 1 through March 31.

Base Year:

For need analysis purposes, the base year is the calendar year preceding the award year. For example, 1994 is the base year for the 1995-96 award year.

Campus-Based Programs:

- Fiscal information must be reconciled at least monthly.
- Financial reports (ED/PMS) for monitoring institutional expenditures must be submitted to ED quarterly.
- Federal Work-Study: Students must be paid at least once a month.
- Federal Perkins Loans: (See *Due Diligence.*)

Crossover Payment Period (Federal Pell Grants):

A crossover payment period is any payment period that includes June 30 and July 1 of any given calendar year.

Disbursing Title IV Proceeds:

The earliest a school may credit a student's account is **10 days** before classes begin for Federal Pell Grant, FSEOG, and Federal Perkins Loan funds. Beginning in 1996-97, the earliest a school may credit a student's account will be **14 days**. The earliest a school may disburse funds directly to a student is ten days before classes begin for Federal Pell Grant, FSEOG, and Federal Perkins Loan, Federal Direct Loans, and FFEL Program Loan. Student borrowers must be informed of this by their schools when applying for loans.

- First-time FFEL and Direct Loan student borrowers cannot receive their first disbursements earlier than 30 days after the start of classes.
- Under most circumstances, late disbursement checks for Federal Stafford Loans must be returned to the lender within 30 days, unless a late disbursement date has been approved by the guaranty agency.

Drug-Free Schools Requirements:

An institution must certify to ED that it has adopted and implemented a program to prevent drug use and alcohol abuse by its students and employees. A biennial review of the institution's drug-free program is required to determine the program's effectiveness and to ensure that its sanctions are consistently enforced.

Due Diligence:

Due diligence refers to the prescribed steps schools or lenders must take to collect National Defense/Direct Loans, Federal Perkins Loans, and FFEL Program loans. Two examples of due diligence requirements for the Federal Perkins Loan Program are:

1. The borrower's first Federal Perkins Loan repayment is due 1, 2, or 3 months after the grace period expires, depending on the established repayment schedule (monthly, bimonthly, or quarterly). The school must contact the Federal Perkins borrower 90 days after the grace period begins and again at 150 days. A borrower with a nine-month initial grace period must be contacted a third time, after 240 days.
2. If a loan payment is late, the school must send an overdue notice to the borrower within 15 days after the due date. If there is no response, a second notice must be sent within 30 days after the first. If there is still no response, **a final demand letter** must be sent within 15 days after the second notice. This letter informs the student that unless the school receives payment or a request for deferment, postponement, or cancellation within 30 days of the date of the letter, the school will refer the account for collection or litigation.

Eighty-Five Percent Rule:

Proprietary schools must calculate and report to ED if Title IV revenues exceed 85 percent for the most recently ended fiscal year.

Federal Cash Transaction Reports:
(See *Quarterly Reports*)

Financial Aid Transcript:

A financial aid transcript (FAT) contains a student's federal aid history. Schools must request an FAT for each transfer students. There are certain restrictions involving disbursement of Title IV funds when schools are awaiting FATs. The National Association of Student Financial Aid Administrators (NASFAA) currently distibutes an FAT format that many schools use. This format and other details regarding FATs can be found in Chapter 3 of *The 1995-96 Federal Student Financial Aid Handbook.*

Grace Periods:

- Grace periods are normally:
  - ◊ Nine months for Federal Perkins Loans.
  - ◊ Six or nine-to-twelve months, depending on the interest rate, for Federal Stafford Loans.
- Federal Stafford Loans (made prior to January 1, 1981) at 7 percent are entitled to a nine-to twelve-month grace period before repayment begins. For loans made after January 1, 1981, at 9 percent, there is a six-month grace period.
  - ◊ Six months for Direct Subsidized and Unsubsidized Loans.
- There is no grace period for Federal PLUS, Federal Direct PLUS, Direct Consolidation Loans, or Federal Consolidation Loans.

Federal Family Education Loans:

- A borrower's first Federal PLUS Loan payment is due within 60 days of disbursement.
- Loan proceeds must be returned to the lender within 45 days of receipt when a student's financial aid transcript (FAT) has been requested but not received.

Federal Pell Grants:

- Schools must keep a Pell Grant payment available for 15 days after the student's last day of enrollment for an award year. If the student requests the check more than 15 days after his/her last day of enrollment, the school may (if it chooses) pay the student through the next payment period.
- Reporting periods for the Institutional Payment Summary (IPS): See *Institutional Payment Summary.*
- Quarterly ED/PMS reports are required for monitoring institutional expenditures.
- See also: *Statement of Account.*

Institutional Eligibility:

An eligible institution must renew its eligibility designation, including all of its educational programs and all of its locations, every four years. It is the institution's responsibility to monitor the expiration date on its Program Participation Agreement and submit an application for recertification in a timely manner.

Institutional Payment Summary (IPS) Reports for Pell Grants:

- Schools with authorizations of $750,000 or more must submit an IPS at least six times a year.
- Schools with authorizations of less than $750,000 must submit an IPS at least three times a year.
- Schools may submit a maximum of 98 IPS batch reports during an award year.

Instructional Week:

For a clock-hour program or a credit-hour program with terms, a week of instructional time is to be a seven-day period in which at least one day of regularly scheduled instruction, examinations, or preparation for examinations occurs.

For a credit-hour nonstandard or nonterm program, a week of instructional time is any week in which at least 12 hours of regularly scheduled instruction, examinations, or preparations for examinations occurs.

Instructional Week (*continued*):

This is known as the "12-hour rule." In all instances, this definition does not include periods of orientation, counseling, or vacation.

Leave of Absence:

Under certain conditions, federal student loan programs allow for a student to take a leave of absence from school. In general, the maximum leave of absence is 60 days. If a student fails to return from the leave of absence, the student is considered to have withdrawn from school as of the first day of the leave. The school has 30 days after the last day of an approved leave of absence to calculate a refund and return funds to the lender.

Program Review:

A program review is an examination by ED of one or more of an institution's financial aid programs by ED to assess compliance with federal laws and regulations and institutional policy. The institution will receive a written report from ED after the review. Generally, the institution has 30 days in which to respond to a program review report.

Quarterly Reports:

These are the automated reports ED sends to institutions at the end of each quarter during a fiscal year. They are known as ED/PMS 272 Reports. An institution completes certain portions of the reports and returns them to ED to reflect disbursements and recoveries for both the Federal Pell Grant Program and campus-based programs.

Record-Retention Requirements:

- Pell Grant records must be kept for five years from the last day of the award year.
- Campus-based program records must be kept for five years after submitting the FISAP for that award year.
- Repayment records for Federal Perkins and National Defense/Direct Loans (including cancellation and deferment requests) must be kept for five years from the date on which the loan is fully repaid, assigned to ED, or cancelled.
- For FFEL and Direct Loans, all required records of each borrower who graduates, withdraws, or fails to enroll at least half time must be kept for five years following the last date of the period for which the loan was intended. Copies of reports and other forms related to administering and managing these loan programs must also be kept for five years from the date they are completed.
- Records questioned in an audit or program review must be kept until questions are resolved and a final letter of determination is provided by ED's Institutional Review Branch and/or Audit Review Branch.
- An institution must retain in its records a description of its drug-abuse-prevention program, that program's biennial review results, and records of litigation and audits for that program for three years after the fiscal year in which it was created.

Refunds:

The federal financial assistance share of refunds must be returned to campus-based program, Direct Loan Program, and Federal Pell Grant Program accounts within 30 days of a student's withdrawal date or to the FFEL lender within 60 days.

Repaying Loans:

Generally, the repayment period for Title IV loans is ten years. Loan consolidation arrangements may lengthen the repayment period.

Safeguard Activities Report:

Institutions participating in the National Direct Student Loan and Federal Perkins Loan Programs may use the IRS/ED skip-tracing service as part of its due diligence requirements. When doing so, these participating institutions are required to submit a Safeguard Procedures Report and complete an annual Safeguard Activity Report.

School Closing:

When a school closes, it must immediately notify ED. Among other requirements, it must submit to ED all financial, performance, and other reports, as well as a letter engaging an audit of Title IV funds, within 45 days after the date of closing or loss of eligibility.

Statement of Account:

The Statement of Account (SOA) is a statement originating from ED that sets the authorization level for an institution's Federal Pell Grant Program funds and projects future adjustments to the institution's payments. The initial SOA for an upcoming award year is mailed to institutions in June.

Student Status Confirmation Reports:

Student Status Confirmation Reports (SSCRs) are required by the Federal Stafford and Federal Direct Loan Programs. Each guaranty agency or the Direct Loan Servicing Center, produces its own Confirmation Reports and sends them to the appropriate schools at least twice a year.

- After reconciling the report, a school returns it to the guaranty agency or Servicing Center by the date specified (usually within 60 days).

Appendix F

Crossword Puzzles

and

Word Searches

for

Title IV Programs

Appendix F - Crossword Puzzles and Word Searches

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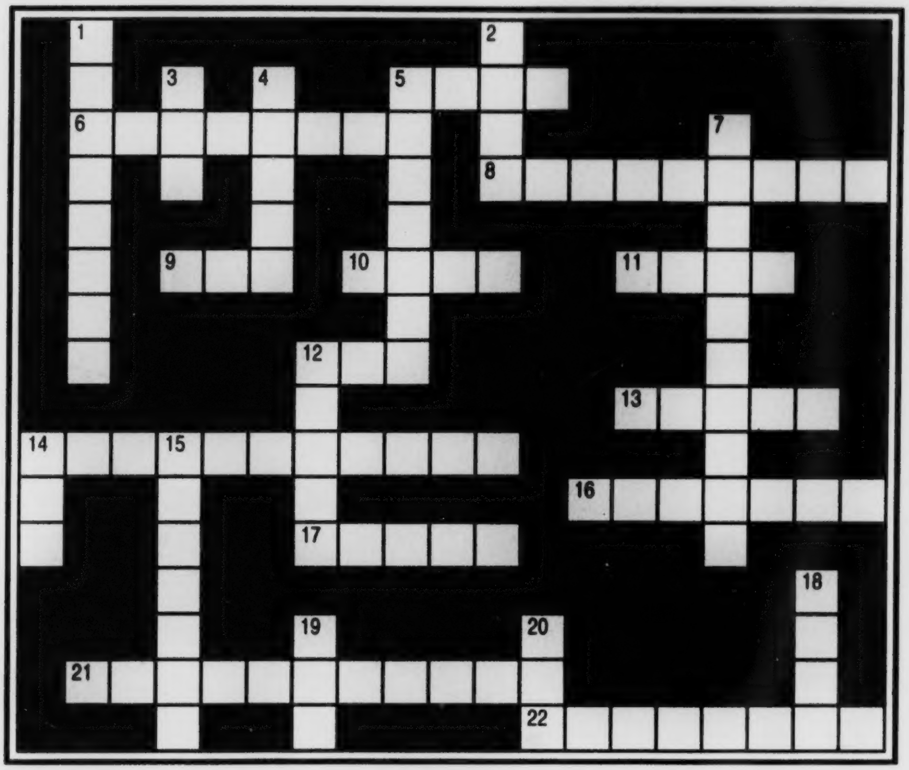
PUZZLE A



ACROSS

5. Grant.
6. Not eligible for 5 across.
8. Some are subsidized.
9. Transcript.
10. #12 down is this type of aid.
11. Must be repaid.
12. A self-help program.
13. Type of hour.
14. These schools are for-profit.
16. Makes you ineligible for aid.
17. Need not be repaid.
21. INS help may be needed to determine this status.
22. All the school's programs may not be ________.

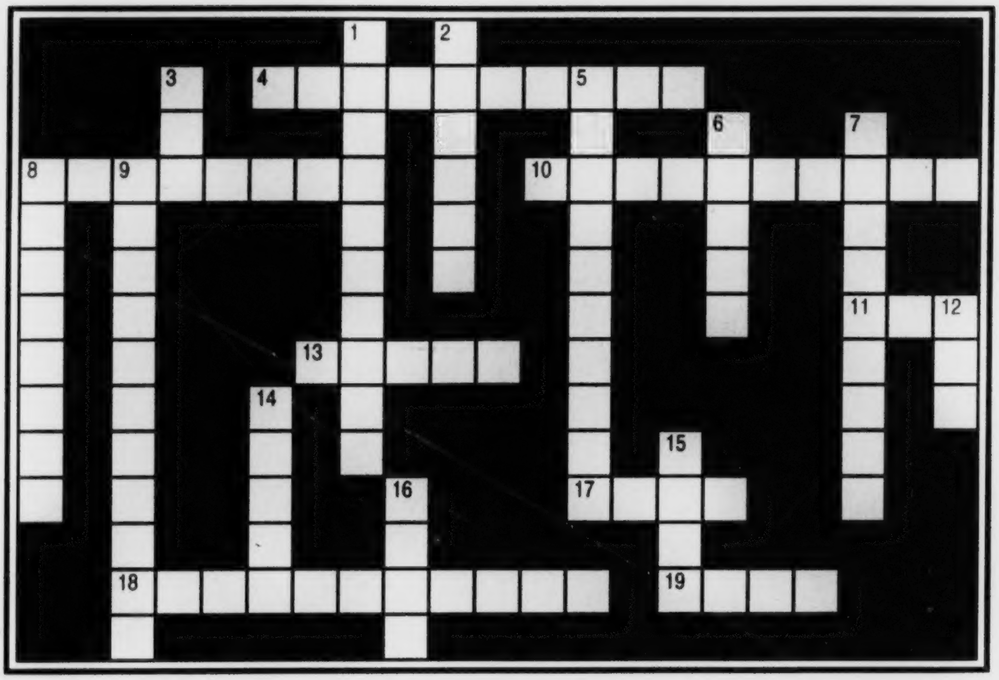
DOWN

1. Where regulations are published.
2. Parent loan.
3. Must monitor this.
4. Required each year.
5. Campus-based loan.
7. Postsecondary ________ institution.
12. Students with exceptional need get priority for this.
14. Program Participation Agreement.
15. Not publicly owned.
18. Family of loans.
19. Signs Participation Agreement.
20. Office of Postsecondary Education.

PUZZLE A
Solution

	1 R									2 P								
	E		3 S		4 A			5 P	E	L	L							
	6 G	R	A	D	U	A	T	E		U					7 V			
	I		P		D			R		8 S	T	A	F	F	O	R	D	S
	S				I			K							C			
	T		9 F	A	T		10 G	I	F	T			11 L	O	A	N		
	E							N							T			
	R					12 F	W	S							I			
						S							13 C	L	O	C	K	
14 P	R	O	15 P	R	I	E	T	A	R	Y					N			
P			R			O						16 D	E	F	A	U	L	T
A			I			17 G	R	A	N	T					L			
			V														18 F	
			A			19 C					20 O						F	
	21 C	I	T	I	Z	E	N	S	H	I	P						E	
			E			O					22 E	L	I	G	I	B	L	E

PUZZLE B



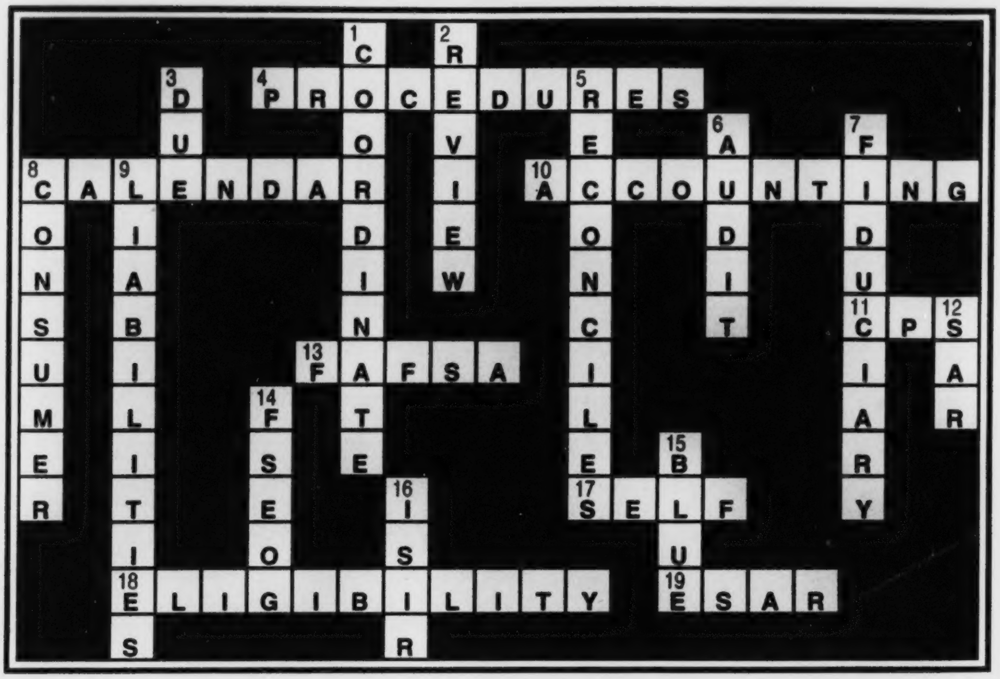
ACROSS

4. Policy and _____ manual.
8. A financial aid ___ helps in planning.
10. Working with journals and ledgers.
11. Calculates the EFC.
13. Used in applying for aid.
17. ___-evaluation is done by the school.
18. Must be determined before awarding aid.
19. Obsolete electronic federal output document term replaced by ISIR.

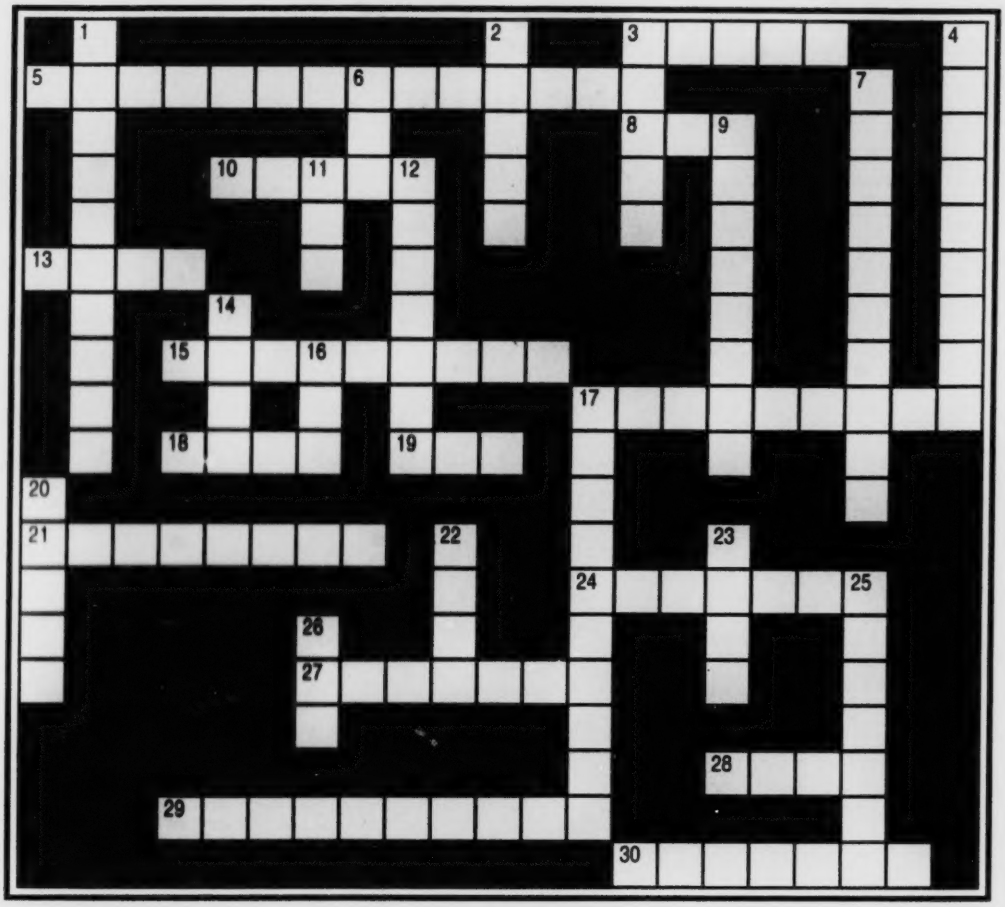
DOWN

1. FAA must do this with other offices.
2. Conducted by ED or state agency.
3. ___ diligence.
5. What fiscal officer does with accounts.
6. Must maintain clear ___ trail for all transactions.
7. Fiscal officers have ___ responsibility.
8. Must provide this information to prospective students.
9. Financial results of non-compliance.
12. What the student takes or sends to school of choice.
14. Priority in awarding this goes to students with exceptional need.
15. Book often referred to as "bible."
16. Result of electronic aid application.

PUZZLE B
Solution


1 COORDINATE
2 REVIEW
3 DUE
4 PROCEDURES
5 RECONCILE
6 AUDIT
7 FIDUCIARY
8 CALENDAR
8 CONSUMER
9 LIABILITIES
10 ACCOUNTING
11 CPS
12 SAR
13 FAFSA
14 FSEO
15 BLUE
16 ISIR
17 SELF
18 ELIGIBILITY
18 ES
19 ESAR

PUZZLE C



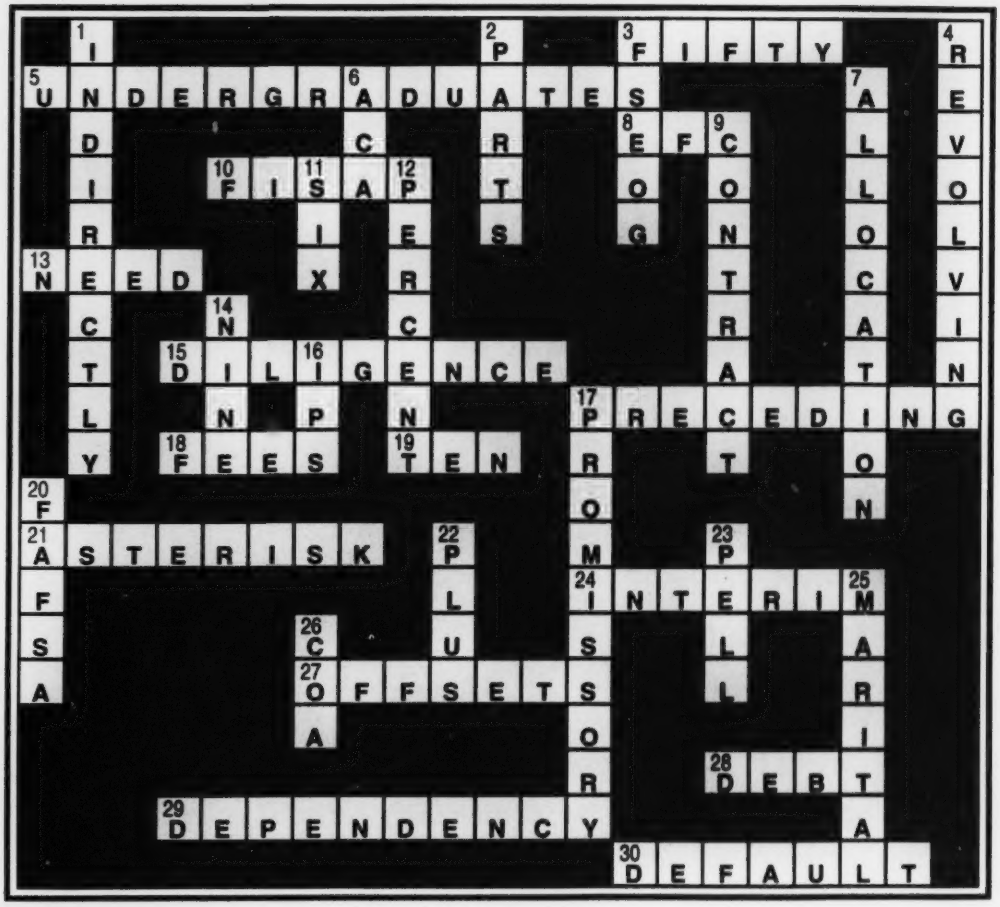
ACROSS

3. FWS federal share percent paid for private, for-profit employers.
5. _______ are eligible for all grants.
8. Result of need analysis.
10. Annual report.
13. _____ is to financial aid, as hunger is to food.
15. Due _________.
17. You can carry back FWS funds to the ________ award year.
18. Tuition and __________.
19. Number of days before start of classes you can directly pay Perkins Loans.
21. Next to EFC, shows that verification is required.
24. While verification is in progress, we may make an ________ payment.
27. In the need assessment formula, _______ for certain expenses are deducted from income.
28. Counseling on _______ management can help prevent defaults.
29. This status is almost always updated.
30. _______ rates are one indicator of a school's administrative capability.

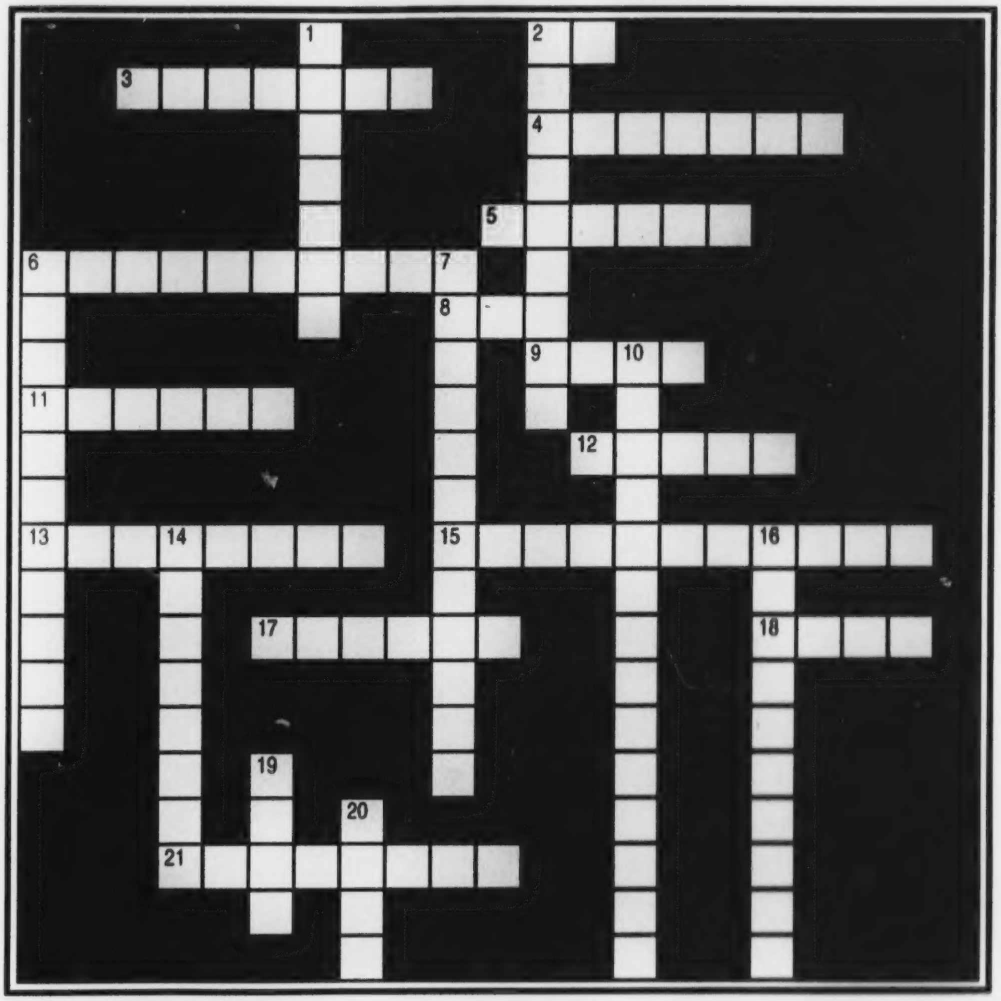
DOWN

1. Crediting tuition and fees is an example of how schools _______ disburse loan funds.
2. There are three _______ of the SAR.
3. You can only transfer funds TO this program, not FROM this program.
4. Perkins has this type of account.
6. An allowance for schools.
7. ED award for a campus-based program.
9. Off-campus FWS employer signs a ______ with the school.
11. How many EFC worksheets are there?
12. Nonfederal share for FSEOG is 25 _________.
14. Number of months of enrollment on which EFC is based.
16. Document used in reporting Pell Grant payments to ED.
17. A kind of note.
20. Used by all students who apply for federal aid.
22. Verification not required for this program.
23. Grant program.
25. Do not update if changes are caused by a change in ___________ status.
26. Cost of getting an education.

PUZZLE C
Solution


3 FIFTY
5 UNDERGRADUATES
8 EFC
10 FISAP
13 NEED
15 DILIGENCE
17 PRECEDING
18 FEES
19 TEN
21 ASTERISK
24 INTERIM
27 OFFSETS
28 DEBT
29 DEPENDENCY
30 DEFAULT
1 INDIRECTLY
2 PARTS
4 REVOLVING
6 ACA
7 ALLOCATION
8 EOG
9 CONTRACT
11 SIX
12 PERCENT
14 NINE
16 IPS
17 PROMISSORY
20 FAFSA
22 PLU
23 PELL
25 MARITAL
26 COA

PUZZLE D



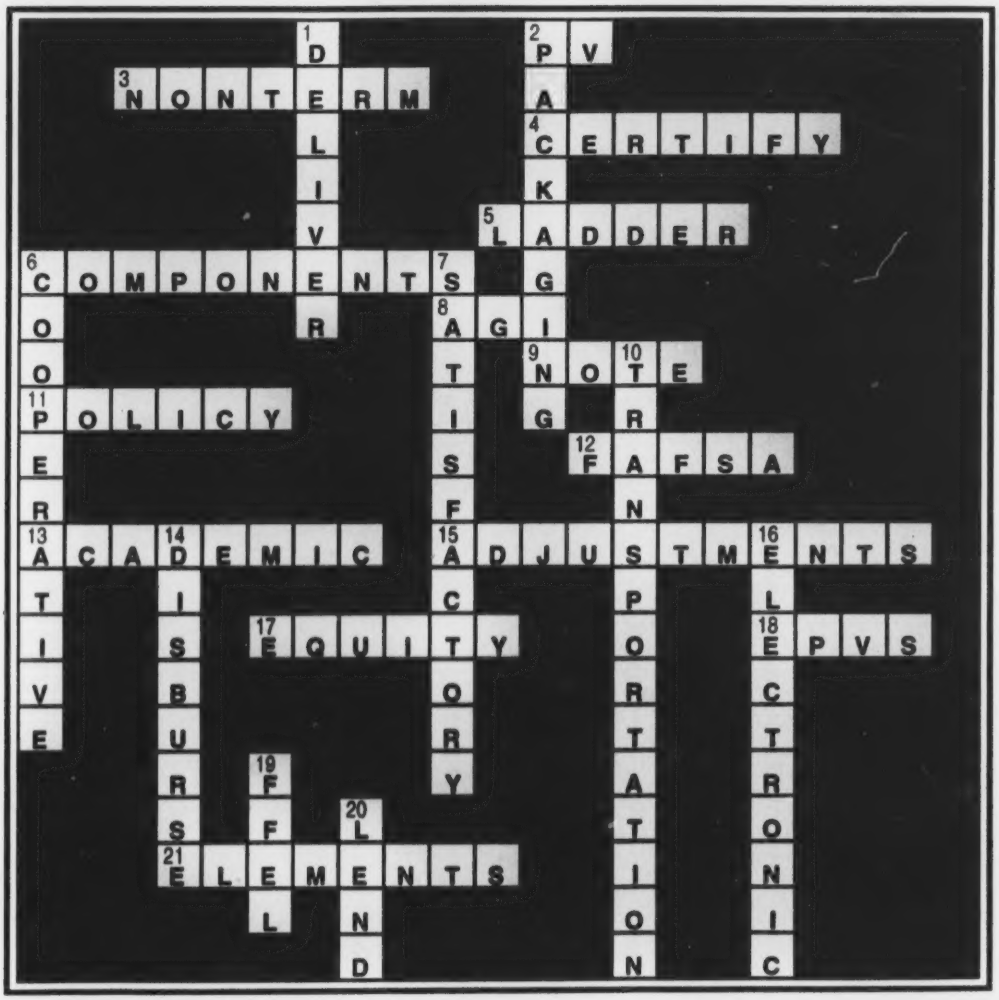
ACROSS

2. Part of the SAR.
3. Uses clock hours, for example.
4. An FAA must do this with a student loan.
5. Packaging model in which all applicants are treated the same.
6. COA is made up of several _______.
8. Gross income reduced by adjustments.
9. Promissory _______.
11. Should be developed to assure consistent and equitable distribution of aid.
12. Correction _______.
13. _______ year.
15. FAAs can make these.
17. There are two variations of this packaging model.
18. Electronic Payment Vouchers.
21. To adjust the EFC, change data ________.

DOWN

1. What schools do with loan checks.
2. Awarding different aid sources for a student.
6. Form of education where students work and attend school.
7. Level of academic progress.
10. Considered in the COA.
14. What the lender does.
16. _______ Data Exchange.
19. Acronym for a family of loans.
20. A guaranty agency can also _____ money.

PUZZLE D
Solution


1 DELIVER
2 PACKAGING
2 PV
3 NONTERM
4 CERTIFY
5 LADDER
6 COMPONENTS
6 COOPERATIVE
7 SATISFACTORY
8 AGI
9 NOTE
10 TRANSPORTATION
11 POLICY
12 FAFSA
13 ACADEMIC
14 DISBURS
15 ADJUSTMENTS
16 ELECTRONIC
17 EQUITY
18 EPVS
19 FFEL
20 LEND
21 ELEMENTS

WORD SEARCH A

E	Q	U	I	T	V	B	C	C	O	A	F	H	O	G	X	S	H	L	L
N	L	S	U	R	E	Y	T	L	B	H	J	L	V	Z	U	J	L	E	O
K	C	I	T	I	Z	E	N	S	A	N	E	T	P	E	R	K	I	N	S
F	U	L	G	U	M	W	I	C	N	I	E	E	O	A	K	D	D	D	T
C	E	E	L	I	A	O	C	B	W	G	D	M	D	R	E	O	O	D	A
L	O	P	E	J	B	O	R	R	O	S	U	M	D	A	Y	Z	P	A	F
T	H	W	G	A	N	I	T	E	U	N	N	S	U	S	D	E	B	P	F
H	E	L	K	R	P	E	L	L	W	I	D	I	O	N	D	E	A	B	O
C	F	U	N	P	A	B	P	I	I	U	E	W	M	I	O	N	I	E	R
L	I	F	E	G	T	T	N	N	T	E	R	Q	N	M	P	F	O	R	D
U	N	S	E	D	I	N	E	N	T	Y	G	W	E	F	E	R	I	S	M
N	A	W	A	L	D	I	N	D	A	R	R	E	F	U	L	L	O	A	G
U	N	W	H	E	D	O	V	E	B	T	A	K	I	N	I	D	O	M	R
S	C	U	E	L	O	N	I	Z	O	O	D	E	G	A	B	G	F	A	A
B	I	L	L	E	C	K	D	I	Y	D	U	N	S	G	B	E	R	W	N
N	A	U	L	M	U	E	V	D	G	M	A	N	I	R	E	P	O	R	T
I	L	F	U	E	M	L	C	I	N	S	T	I	T	U	T	I	O	N	Z
A	S	X	C	N	E	P	X	S	E	S	E	I	N	P	E	R	D	R	F
F	N	A	F	E	N	D	E	B	T	I	R	A	S	R	A	G	F	A	U
O	O	M	P	S	O	O	Q	U	N	R	A	S	K	L	O	R	I	N	N
M	I	A	S	T	E	K	I	S	I	T	E	L	E	O	N	T	A	D	D
I	K	M	I	S	F	O	F	N	Q	I	S	G	R	A	P	O	R	T	I
Q	U	I	M	A	R	E	G	U	L	A	T	I	O	N	S	L	I	N	D

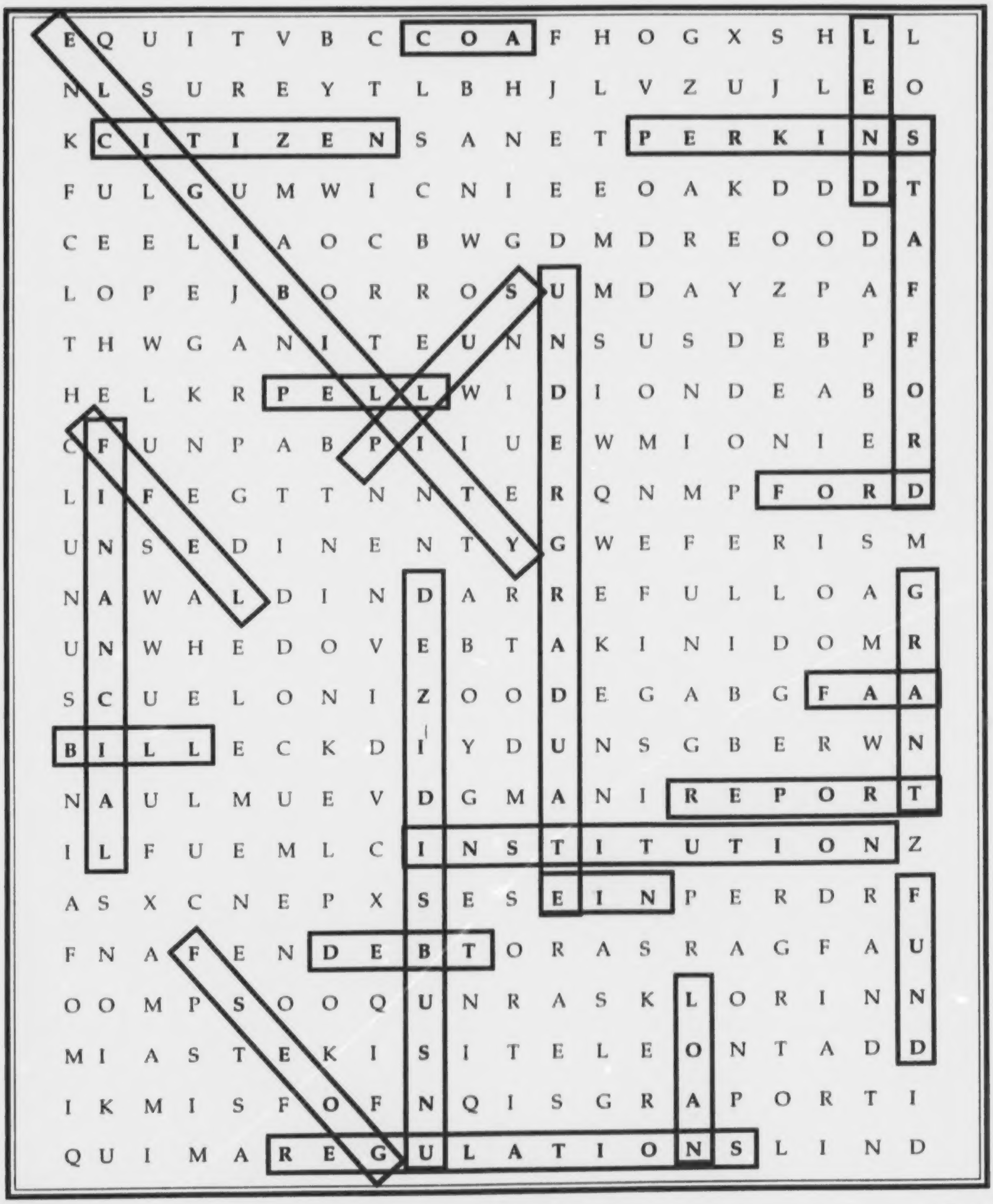
Stafford
Pell
Perkins
FSEOG
loan
fund

report
citizen
eligibility
COA
undergraduate
Ford

unsubsidized
PLUS
financial
institution
grant
bill

regulations
lend
FFEL
FAA
debt
EIN

WORD SEARCH A
Solution



E	Q	U	I	T	V	B	C	C	O	A	F	H	O	G	X	S	H	L	L
N	L	S	U	R	E	Y	T	L	B	H	J	L	V	Z	U	J	L	E	O
K	C	I	T	I	Z	E	N	S	A	N	E	T	P	E	R	K	I	N	S
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C	E	E	L	I	A	O	C	B	W	G	D	M	D	R	E	O	O	D	A
L	O	P	E	J	B	O	R	R	O	S	U	M	D	A	Y	Z	P	A	F
T	H	W	G	A	N	I	T	E	U	N	N	S	U	S	D	E	B	P	F
H	E	L	K	R	P	E	L	L	W	I	D	I	O	N	D	E	A	B	O
C	F	U	N	P	A	B	P	I	I	U	E	W	M	I	O	N	I	E	R
L	I	F	E	G	T	T	N	N	T	E	R	Q	N	M	P	F	O	R	D
U	N	S	E	D	I	N	E	N	T	Y	G	W	E	F	E	R	I	S	M
N	A	W	A	L	D	I	N	D	A	R	R	E	F	U	L	L	O	A	G
U	N	W	H	E	D	O	V	E	B	T	A	K	I	N	I	D	O	M	R
S	C	U	E	L	O	N	I	Z	O	O	D	E	G	A	B	G	F	A	A
B	I	L	L	E	C	K	D	I	Y	D	U	N	S	G	B	E	R	W	N
N	A	U	L	M	U	E	V	D	G	M	A	N	I	R	E	P	O	R	T
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I	K	M	I	S	F	O	F	N	Q	I	S	G	R	A	P	O	R	T	I
Q	U	I	M	A	R	E	G	U	L	A	T	I	O	N	S	L	I	N	D

WORD SEARCH B

S	C	I	E	N	C	A	L	E	N	D	A	R	J	O	P	S	B	I	N
T	C	S	H	I	R	L	J	W	N	E	M	I	O	N	A	A	S	O	D
S	C	H	A	D	I	M	E	L	S	N	T	S	C	H	S	S	I	G	K
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H	O	U	E	L	I	G	I	B	L	E	I	T	Y	M	A	F	C	A	M
E	L	I	B	L	A	N	Y	L	E	T	B	E	Y	C	M	U	N	D	Y
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I	N	S	T	U	T	E	S	L	S	D	E	F	A	U	L	T	O	I	J
N	F	W	S	U	N	L	P	H	G	V	I	R	I	C	A	C	I	B	T
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E	N	N	B	O	A	D	C	W	E	P	G	I	S	T	K	N	U	T	Q
B	A	B	S	A	R	S	A	V	E	R	R	I	D	L	I	B	A	I	D
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V	E	R	E	P	A	Y	M	E	N	T	T	I	O	N	S	N	O	N	S

FWS
scholarship
refund
repayment
FAFSA
ladder

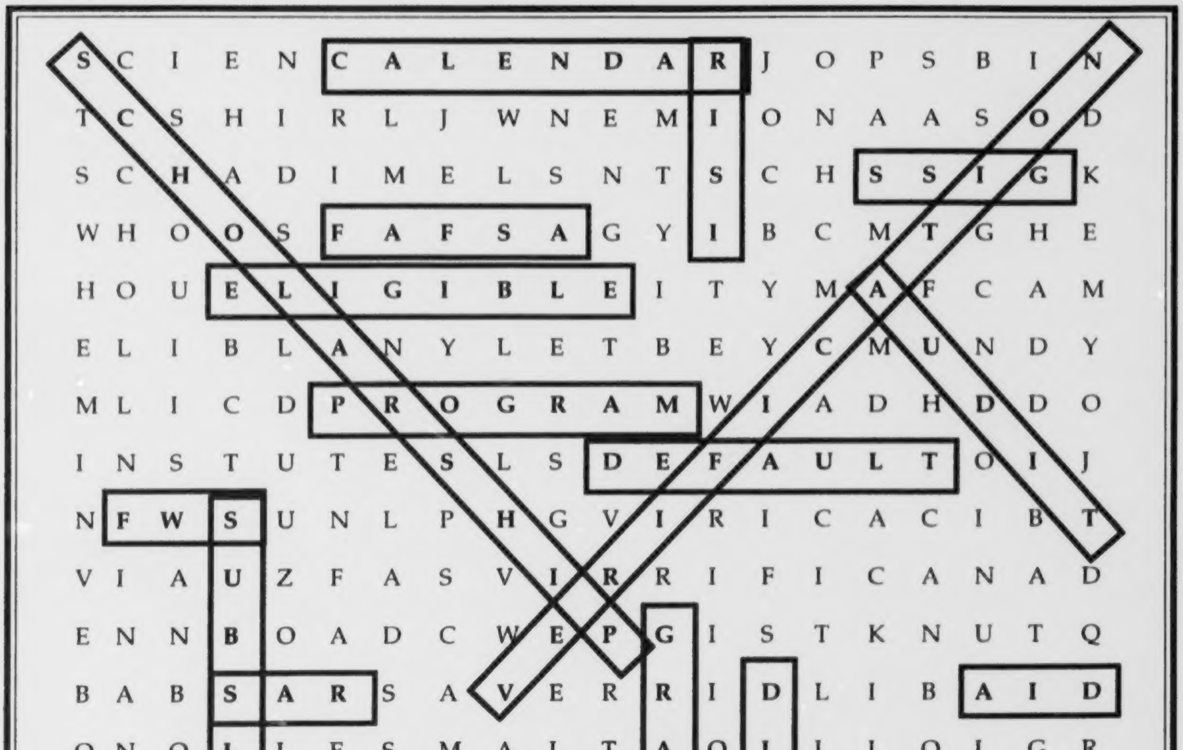
Byrd
SAR
ISIR
audit
calendar
gift

verification
student
default
SSIG
Direct
aid

FFEL
subsidized
graduate
institution
program
borrower

WORD SEARCH B

Solution



S	C	I	E	N	C	A	L	E	N	D	A	R	J	O	P	S	B	I	N
T	C	S	H	I	R	L	J	W	N	E	M	I	O	N	A	A	S	O	D
S	C	H	A	D	I	M	E	L	S	N	T	S	C	H	S	S	I	G	K
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M	L	I	C	D	P	R	O	G	R	A	M	W	I	A	D	H	D	D	O
I	N	S	T	U	T	E	S	L	S	D	E	F	A	U	L	T	O	I	J
N	F	W	S	U	N	L	P	H	G	V	I	R	I	C	A	C	I	B	T
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B	Y	R	D	F	I	N	A	L	I	T	E	L	O	F	Y	T	O	O	B
O	I	R	M	E	E	S	I	D	A	U	K	T	I	I	F	I	B	L	E
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R	I	W	E	L	I	G	I	S	C	E	E	I	B	O	R	I	L	A	A
O	M	E	L	E	M	E	N	N	U	N	R	F	T	E	P	O	R	T	H
V	E	R	E	P	A	Y	M	E	N	T	T	I	O	N	S	N	O	N	S

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Laboratory Exercises

These laboratory exercises have been developed to provide you with hands-on experience. The same two student cases will be used in all of the lab exercises except Lab A. (Lab A deals with student eligibility, making it necessary to use a number of different student scenarios.) At the end of each lab exercise, lab results will become part of the selected student's "file." By the end of the week, you will have the opportunity to have at least one example of a complete student file.

Therefore, at the beginning of the first lab experience involving two student cases, you might want to select one student to work with throughout the week. The lab exercises for the remaining student can be done as refreshers after you return home.

The names and characteristics of the two "lab students" are:

- Rita Davidson (1st year, independent student, eligible for Pell Grant)
- Ben Thomas (1st year, dependent student, eligible for Pell Grant)

LAB
A

Student Eligibility

Lab Time: 30 minutes

OBJECTIVE

You will become acquainted with student eligibility requirements and what documents you should look for to verify student eligibility.

OVERVIEW

In this lab exercise, which accompanies Session 3, you will be given the opportunity to review three student files to determine if the students are eligible for federal financial aid.

In your lab booklet, you will be given a student scenario and a student eligibility checklist for **each** student. This will give you the opportunity to do additional practice on your own after the lab.

The correct responses are providedin the Solutions Section at the end of the lab exercise.

PREPARATIONS

All needed materials are provided on the next few pages.

INSTRUCTIONS

Three students have applied for federal financial aid. Each of the students has a different educational goal and wishes to attend a specific school. Put yourself in the financial aid office at each school and answer the student's questions.

Step 1: Choose which student scenario you will use.

Step 2: Review the student scenario using the student eligibility checklist.

Step 3: Answer the student questions in the lab exercise.

Step 4: Review the solutions at the end of the lab exercise.

Student Eligibility Lab: Justin

Justin Case is a 21-year-old student enrolled in Foster Business College (FBC). Justin was born and raised in Guam, and has spent the last 3 1/2 years working periodically on construction jobs. He now wants to take a 6-month, 600-clock-hour course in Computerized Information Management at FBC to obtain a Computer Operator certificate.

As Justin never finished high school, he has taken FBC's aptitude test (approved by ED) and scored a passing grade of 78. Justin has received a Student Aid Report (SAR) with a Pell-eligible Expected Family Contribution (EFC). He has signed the Statement of Educational Purpose and the Certification Statement on Refunds and Default that appear on the SAR. Justin indicates that he is not required to register with the Selective Service as he is a conscientious objector. Justin was selected for verification, and he has promised the aid administrator that he will bring in the appropriate tax documents once his mother sends them to him. Justin did not list any previous colleges or schools on his financial aid application, so FBC has not requested any financial aid transcripts.

Justin's Questions:

1. Am I eligible to receive Title IV financial aid at your school? ____________________
2. If yes, why? ____________________
____
____
3. If no, which student eligibility criteria did I not meet, and what can I do, if anything, to become eligible for Title IV financial aid at your school? ____________________
____
____

General Student Eligibility Checklist for Justin

- ☐ The student is a **U. S. citizen** or **eligible noncitizen**. (Check the appendix in Chapter 2 of *The 1995-96 Federal Student Financial Aid Handbook* for details.)
- ☐ The student is a **regular student** enrolled or accepted for enrollment in an eligible program for the purpose of obtaining a degree or certificate.
- ☐ The student has met the **academic qualifications** for study at the postsecondary level. (Student has a high school diploma or recognized equivalent [such as a GED] **or** is beyond the age of compulsory school attendance and has passed an ED-approved examination or followed a state-prescribed process.)
- ☐ The student is **not** enrolled **in an elementary school, middle school, or secondary school.**
- ☐ The student is enrolled **in an eligible program**.
- ☐ The student is **not** enrolled only **in remedial courses**.
- ☐ The student is **maintaining satisfactory academic progress**.
- ☐ The student has signed a **Statement of Educational Purpose**.
- ☐ The student has signed a **Certification Statement on Refunds and Default**.
- ☐ The student has signed a **Statement of Registration Status** (if necessary).
- ☐ The student has borrowed **no more than the annual loan limits** this award year.
- ☐ The student is **not** subject to restrictions as **a member of a religious order; because of incarceration; or because of taking correspondence courses**.
- ☐ The student has **financial need**.
- ☐ A **financial aid transcript(s)** was obtained from the school (or schools) previously attended by the student.
- ☐ **Verification** (if required) has been completed.

Student Eligibility Lab: Jacques

Jacques Bertrand is a 27-year-old independent student enrolled at the World Language Institute (WLI). He is in a conversational English course for 3 credits that he's taking to better communicate with customers in his current job.

Jacques and his family came to the U.S. in 1991 from France. Jacques has received his Student Aid Report (SAR) with a Pell-eligible Expected Family Contribution (EFC) and has delivered it to the financial aid administrator. His SAR indicates that the Central Processing System (CPS) did not confirm him to be an eligible noncitizen, and WLI is in the process of further reviewing his citizenship status. His SAR also reflects that he was selected for verification, and Jacques has delivered all appropriate documents to verify the information reported on his application for financial aid.

Jacques has indicated that he attended Toulouse Polytechnic Institute (TPI) in France during 1990. The financial aid administrator requested a financial aid transcript from TPI, but after 6 weeks still has not received a response. Jacques has signed all the required statements and certifications.

Jacques' Questions:

1. Am I eligible to receive Title IV financial aid at your school? ____________________

2. If yes, why? ____________________
   ____
   ____

3. If no, which student eligibility criteria did I not meet, and what can I do, if anything, to become eligible for Title IV financial aid at your school? ____________________
   ____
   ____

General Student Eligibility Checklist for Jacques

☐ The student is a **U. S. citizen** or **eligible noncitizen**. (Check the appendix in Chapter 2 of *The 1995-96 Federal Student Financial Aid Handbook* for details.)

☐ The student is a **regular student** enrolled or accepted for enrollment in an eligible program for the purpose of obtaining a degree or certificate.

☐ The student has met the **academic qualifications** for study at the postsecondary level. (Student has a high school diploma or recognized equivalent [such as a GED] **or** is beyond the age of compulsory school attendance and has passed an ED-approved examination or followed a state-prescribed process.)

☐ The student is **not** enrolled **in an elementary school, middle school, or secondary school**.

☐ The student is enrolled **in an eligible program**.

☐ The student is **not** enrolled only **in remedial courses**.

☐ The student isgnf **maintaining satisfactory academic progress**.

☐ The student has signed a **Statement of Educational Purpose**.

☐ The student has signed a **Certification Statement on Refunds and Default**.

☐ The student has signed a **Statement of Registration Status** (if necessary).

☐ The student has borrowed **no more than the annual loan limits** this award year.

☐ The student is **not** subject to restrictions as **a member of a religious order; because of incarceration; or because of taking correspondence courses**.

☐ The student has **financial need**.

☐ A **financial aid transcript(s)** was obtained from the school (or schools) previously attended by the student.

☐ **Verification** (if required) has been completed.

Student Eligibility Lab: Elena

Elena Del Castillo is self-supporting and is enrolled at Tower Community College (TCC) for the current award year. She is starting the second year of her Occupational Therapy course, which is a 2-year degree program.

Elena was born in Puerto Rico and graduated from Notre Dame High School in Caguas, Puerto Rico. She attended Hall Technical Institute (HTI) for 1 year before coming to TCC but, according to a written certification from HTI, she did not receive any Title IV aid. TCC has on file a copy of its multipurpose certification form, signed by Elena, that incorporates the required Title IV aid statements and certifications.

The financial aid administrator checks Elena's previous spring academic transcript and finds that she has completed 38 credits with a GPA of 2.8, which surpasses the school's satisfactory academic progress standards. Elena's Expected Family Contribution (EFC) is less than the cost of attendance (COA) for her program, but she is not eligible for the Federal Pell Grant Program. Elena was not selected for verification.

Elena's Questions:

1. Am I eligible to receive Title IV financial aid at your school? ____________________

2. If yes, why? ____
____
____

3. If no, which student eligibility criteria did I not meet and what can I do, if anything, to become eligible for Title IV financial aid at your school? ____________________
____
____

General Student Eligibility Checklist for Elena

☐ The student is a **U. S. citizen** or **eligible noncitizen**. (Check the appendix in Chapter 2 of *The 1995-96 Federal Student Financial Aid Handbook* for details.)

☐ The student is a **regular student** enrolled or accepted for enrollment in an eligible program for the purpose of obtaining a degree or certificate.

☐ The student has met the **academic qualifications** for study at the postsecondary level. (Student has a high school diploma or recognized equivalent [such as a GED] **or** is beyond the age of compulsory school attendance and has passed an ED-approved examination or followed a state-prescribed process.)

☐ The student is **not** enrolled **in an elementary school, middle school, or secondary school.**

☐ The student is enrolled **in an eligible program**.

☐ The student is **not** enrolled only **in remedial courses**.

☐ The student is **maintaining satisfactory academic progress**.

☐ The student has signed a **Statement of Educational Purpose**.

☐ The student has signed a **Certification Statement on Refunds and Default**.

☐ The student has signed a **Statement of Registration Status** (if necessary).

☐ The student has borrowed **no more than the annual loan limits** this award year.

☐ The student is **not** subject to restrictions as **a member of a religious order; because of incarceration; or because of taking correspondence courses**.

☐ The student has **financial need.**

☐ A **financial aid transcript(s)** was obtained from the school (or schools) previously attended by the student.

☐ **Verification** (if required) has been completed.

SOLUTIONS

Solution to Justin

» The ‡ symbol identifies a criterion that has **not** been met.

Q: Is Justin eligible to receive Title IV financial aid?

A: **No,** Justin does **not** meet all the general student eligibility criteria. Here are the facts:

1. Justin was born in Guam and is, therefore, a U.S. citizen.

2. He is a regular student enrolled for the purpose of obtaining a Computer Operator certificate.

3. He did not finish high school, but he showed that he was academically qualified by passing the school's ED-approved test.

4. He is considered to be making satisfactory progress, as he was not enrolled previously in this program.

‡5. Justin has signed all the required statements and certifications except for the Registration Status Statement, as he is ***not*** registered.

◊ Being a conscientious objector does not exempt him from registering with the Selective Service.

◊ Since he has not registered, he is not eligible for Title IV aid.

6. Justin has received a Pell-eligible SAR, which would indicate he has financial need.

◊ How much need depends on the school's cost of attendance (COA) minus the Expected Family Contribution (EFC), or COA - EFC = student's need.

7. Justin did not indicate he attended a previous postsecondary school, so a financial aid transcript is not required.

‡8. As Justin was selected for verification, the school must complete this process.

◊ A promise to bring in the required documents is not enough.

Solution to Jacques

» The ‡ symbol identifies a criterion that has **not** been met.

Q: Is Jacques eligible to receive Title IV financial aid?

A: **No**, Jacques does **not** meet all the general student eligibility criteria. Here are the facts:

‡1. Until Jacques can document his eligible noncitizen status, he is not eligible for Title IV aid.

‡2. Jacques does **not** meet the definition of a regular student because he is **not** enrolled for the purpose of obtaining a degree or certificate.

‡3. His academic qualifications are also in doubt.

◊ If Jacques were enrolled as a regular student in an eligible program, the school would need to obtain a statement or some other proof that he has a high school diploma, or the equivalent, or is beyond the age of compulsory school attendance and is academically qualified.

4. Jacques has signed all the required statements.

5. He is considered to be making satisfactory progress, as he was not enrolled previously in this program.

6. As with Justin, Jacques has received a Pell-eligible SAR, which would indicate he has financial need.

◊ How much need depends on the school's cost of attendance (COA) minus the Expected Family Contribution (EFC) or COA - EFC = student's need.

7. The school has requested the financial aid transcript from TPI, which is a foreign school.

◊ However, WLI is not required to request—or wait—for the FAT from a foreign school.

Solution to Elena

» The ‡ symbol identifies a criteria that has **not** been met.

Q: Is Elena eligible to receive Title IV financial aid?

A: **Yes,** Elena does meet all the general student eligibility criteria. Here are the facts:

1. Elena was born in Puerto Rico and is, therefore, a U.S. citizen.
2. She is enrolled as a regular student in an eligible program.
3. She has a high school diploma from Notre Dame High School in Caguas, Puerto Rico.
4. Her GPA is above the school's standards, and she has completed sufficient credits, so she is maintaining satisfactory academic progress.
5. Elena has signed all the required statements and certifications.
6. Elena's EFC is less than her cost of education, so she has financial need, even though she is not eligible for a Federal Pell Grant.
7. Tower Community College has received a written certification from Elena's previous college that she did not receive any prior Title IV aid.
   - ◊ Regulations specify that an FAT is not required if the student did not receive any Title IV aid at the previous school.
   - ◊ Schools simply provide a written certification stating that the student did not receive Title IV aid.
8. Elena's aid application was not selected for verification.

1995-96

STUDENT FILE

Rita Davidson

LAB

B

Completing the Free Application for Federal Student Aid—FAFSA (Rita)

Lab Time: 30 minutes

OBJECTIVES

You will become acquainted with the 1995-96 FAFSA instructions and the documents necessary to complete it.

You will practice completing a FAFSA application.

OVERVIEW

In this lab exercise, which accompanies Session 12, you will be given the opportunity to complete a 1995-96 FAFSA using appropriate tax forms and other forms of documentation.

The lab exercises from this point on will deal with the same two students:

- Rita Davidson (1st year, independent student)
- Ben Thomas (1st year, dependent student)

In your lab booklet, you will find that each lab exercise has a problem dealing with each of the two students. You will be able to work with information on one or two students during each lab.

You will be provided with a file folder for each student. As you proceed through the exercises, place your solutions and appropriate documents in each student's file. If you use the same student for all the exercises, by the end of the lab exercises you will have built a complete file for that student.

The correct responses are provided in the Solutions Section at the end of the lab exercise.

PREPARATIONS

You will need the copy of the 1995-96 FAFSA that was provided during Session 12. All other needed forms, documents, and scenarios are provided on the next few pages.

INSTRUCTIONS

Your school is having an open house today for current and prospective students. During the open house, financial aid staff members are available to help students and parents complete the 1995-96 FAFSA. Rita Davidson is waiting in your office to be seen by a counselor on an individual basis.

Step 1: Read the student's scenario.

Step 2: Read the FAFSA instructions with the student very carefully. Complete the FAFSA with the student. Fortunately, the student has come prepared with all the necessary tax forms and/or documents needed to complete the application. The student may use a pencil or a pen.

Step 3: Check the FAFSA you and the student completed against the correct response in the student's solutions section.

Step 4: Remove the student's completed FAFSA, tax forms, and supporting documentation from the binder and place them in the student's file. You are starting to create the student's file for 1995-96.

STUDENT INFORMATION

Rita Davidson

SS# 888-88-8888

Rita Davidson is a single parent with two (2) children: Becky, age 2, and Richie, age 12. Rita did not graduate from high school, nor has she earned a GED. However, she took the Nelson Denny Reading Test at your school and received a score that makes her eligible for federal financial aid based on ability to benefit. Her mother and father both completed high school.

Rita will be a first-year student at your school (Woodrow Wilson University, 1000 Johnson Boulevard, Arlington, Virginia), pursuing an associate degree in Business Administration. She plans on attending full time Fall 1995 and Spring 1996 and hopes to finish June 15, 1997. During the November 1994 session, she attended the Hair Design Institute, borrowing a $2,625 subsidized Federal Stafford Loan at a variable interest rate.

She did not file a U.S. income tax return for 1994, as her only income was Aid to Dependent Children (ADC). Your office has a signed statement from her social services case worker indicating the ADC amount.

Rita and her children live off campus at 4000 SEOG Grant Road, Washington, D.C. 20019. Her home telephone number is (202) 111-0000. Rita was born in California on October 31, 1957. She moved to Washington, D.C. on January 15, 1980 and has lived there ever since. Rita pays dependent-care expenses for Becky. Rita does not have a driver's license. She has not received a bachelor's degree, and she does not receive veteran's educational benefits. In fact, she never served in the U.S. Armed Forces.

Her FAFSA was signed January 25, 1995; she would like to be considered for all types for federal financial aid, including loans and work-study opportunities.

Free Application for Federal Student Aid

1995-96 School Year

WARNING: If you purposely give false or misleading information on this form, you may be fined $10,000, sent to prison, or both.

"You" and "your" on this form always mean the student who wants aid.

FFFFF

Form Approved
OMB No. 1840-0110
App. Exp. 6/30/96

U.S. Department of Education
Student Financial
Assistance Programs

Section A: You (the student)

1–3. Your name ____ 1. Last ____ 2. First ____ 3. M.I.

Your title (optional) Mr. ☐ 1 Miss, Mrs., or Ms. ☐ 2

4–7. Your permanent mailing address *(All mail will be sent to this address. See Instructions, page 2 for state/country abbreviations.)*

____ 4. Number and street (Include apt. no.)

____ 5. City ____ 6. State ____ 7. ZIP code

8. Your social security number *(Don't leave blank. See Instructions, page 2.)* ___-__-____

9. Your date of birth ___-___-___ Month Day Year

10. Your permanent home telephone number ____ Area code ___-____

11. Your state of legal residence ____ State

12. Date you became a legal resident of the state in question 11 *(See Instructions, page 2.)* ___-___-___ Month Day Year

13–14. Your driver's license number *(Include the state abbreviation. If you don't have a license, write in "None.")*

____ State ____

15–16. Are you a U.S. citizen? *(See Instructions, pages 2 & 3.)*

Yes, I am a U.S. citizen. ☐ 1

No, but I am an eligible noncitizen. ☐ 2

A ____

No, neither of the above. ☐ 3

17. As of today, are you married? *(Check only one box.)*

I am not married. (I am single, widowed, or divorced.) ☐ 1

I am married. ☐ 2

I am separated from my spouse. ☐ 3

18. Date you were married, separated, divorced, or widowed. If divorced, use date of divorce or separation, whichever is earlier. ___-___ Month Year

19. Will you have your first bachelor's degree before July 1, 1995? Yes ☐ 1 No ☐ 2

Section B: Education Background

20–21. Date that you (the student) received, or will receive, your high school diploma, either—

- by graduating from high school ___-___ Month Year

OR

- by earning a GED ___-___ Month Year

*(Enter **one** date. Leave blank if the question does not apply to you.)*

22–23. Highest educational level or grade level completed by your father and your mother *(Check one box for each parent. See Instructions, page 3.)*

	22. Father	23. Mother
elementary school (K–8)	☐ 1	☐ 1
high school (9–12)	☐ 2	☐ 2
college or beyond	☐ 3	☐ 3
unknown	☐ 4	☐ 4

Section C: Your Plans *Answer these questions about your college plans.*

24–28. Your expected enrollment status for the 1995-96 school year *(See Instructions, page 3.)*

School term	Full time	3/4 time	1/2 time	Less than 1/2 time	Not enrolled
24. Summer term '95	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5
25. Fall semester/qtr. '95	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5
26. Winter quarter '95-96	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5
27. Spring semester/qtr. '96	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5
28. Summer term '96	☐ 1	☐ 2	☐ 3	☐ 4	☐ 5

29. Your course of study *(See Instructions, page 3.)* ☐☐

30–31. College degree/certificate you expect to receive **and** the date you expect to receive it *(See Instructions, page 3.)*

30. Degree/certificate ☐

31. Date ☐☐ Month ☐☐ Day ☐☐ Year

32. Your grade level during the 1995-96 school year *(Check only one.)*

1st yr./never attended college	☐ 1	5th year/other undergraduate	☐ 6
1st yr./attended college before	☐ 2	1st year graduate/professional	☐ 7
2nd year/sophomore	☐ 3	2nd year graduate/professional	☐ 8
3rd year/junior	☐ 4	3rd year graduate/professional	☐ 9
4th year/senior	☐ 5	Beyond 3rd year graduate/professional	☐ 10

33–35. In addition to grants, what other types of financial aid are you (and your parents) interested in? *(See Instructions, page 3.)*

33. Student employment	Yes ☐ 1	No ☐ 2
34. Student loans	Yes ☐ 1	No ☐ 2
35. Parent loans for students	Yes ☐ 1	No ☐ 2

36. If you are (or were) in college, do you plan to attend **that same college** in 1995-96?

Yes ☐ 1 No ☐ 2

37. For how many dependents will you pay child care or elder care expenses in 1995-96? ☐☐

38–39. Veterans education benefits you expect to receive from July 1, 1995 through June 30, 1996

38. Amount per month $__________ 00

39. Number of months ☐☐

Section D: Student Status

	Yes	No
40. Were you born **before** January 1, 1972?	☐ 1	☐ 2
41. Are you a veteran of the U.S. Armed Forces?	☐ 1	☐ 2
42. Will you be enrolled in a graduate or professional program (beyond a bachelor's degree) in 1995-96?	☐ 1	☐ 2
43. Are you married?	☐ 1	☐ 2
44. Are you an orphan or a ward of the court, or **were** you a ward of the court until age 18?	☐ 1	☐ 2
45. Do you have legal dependents (**other than a spouse**) that fit the definition in Instructions, page 4?	☐ 1	☐ 2

If you answered "Yes" to any question in Section D, go to Section E and fill out the GRAY and the WHITE areas on the rest of this form.

If you answered "No" to every question in Section D, go to Section E and fill out the YELLOW and the WHITE areas on the rest of this form.

Section E: Household Information

If you are filling out the GRAY and WHITE areas, answer questions 46 and 47 and go to Section F.

If you are filling out the YELLOW and WHITE areas, skip questions 46 and 47. Answer questions 48 through 52 about your parents, and then go on to Section F.

STUDENT (& SPOUSE)

46. Number in your household in 1995-96 (Include yourself and your spouse. Do not include your children and other people unless they meet the definition in Instructions, page 4.) ☐☐

47. Number of college students in household in 1995-96 (Of the number in 46, how many will be in college at least half-time in at least one term? Include yourself. ***See Instructions, page 4.)*** ☐

PARENT(S)

48. Your parents' current marital status:

single ☐ 1 **separated** ☐ 3 **widowed** ☐ 5
married ☐ 2 **divorced** ☐ 4

49. Your parents' state of legal residence ☐☐ **State**

50. Date your parent(s) became legal resident(s) of the state in question 49 ***(See Instructions, page 5.)*** ☐☐ **Month** ☐☐ **Day** ☐☐ **Year**

51. Number in your parents' household in 1995-96 (Include yourself and your parents. Do not include your parents' other children and other people unless they meet the definition in Instructions, page 5.) ☐☐

52. Number of college students in household in 1995-96 (Of the number in 51, how many will be in college at least half-time in at least one term? Include yourself. ***See Instructions, page 5.)*** ☐

BEST COPY AVAILABLE

Section F: 1994 Income, Earnings, and Benefits

Everyone must fill out the Student (& Spouse) column.

You must see Instructions, page 5, for information about tax forms and tax filing status. The instructions will tell you what income and benefits should be reported in this section.

STUDENT (& SPOUSE)

53. The following 1994 U.S. income tax figures are from: *(Check only one.)*

- A—a completed 1994 IRS Form 1040A or 1040EZ ☐ 1
- B—a completed 1994 IRS Form 1040 ☐ 2
- C—an estimated 1994 IRS Form 1040A or 1040EZ ☐ 3
- D—an estimated 1994 IRS Form 1040 ☐ 4
- E—will not file a 1994 U.S. income tax return ☐ 5

PARENT(S)

64. The following 1994 U.S. income tax figures are from: ***(Check only one.)***

- **A—a completed 1994 IRS Form 1040A or 1040EZ** ☐ 1
- **B—a completed 1994 IRS Form 1040** ☐ 2
- **C—an estimated 1994 IRS Form 1040A or 1040EZ** ☐ 3
- **D—an estimated 1994 IRS Form 1040** ☐ 4
- **E—will not file a 1994 U.S. income tax return** ☐ 5

	STUDENT (& SPOUSE)		PARENT(S)
1994 Total number of exemptions (Form 1040-line 6e, or 1040A-line 6e; 1040EZ filers— *see Instructions, page 6.*)	**54.** ☐☐	TAX FILERS ONLY	**65.** ☐☐
1994 Adjusted Gross Income (AGI-Form 1040-line 31, 1040A-line 16, or 1040EZ-line 3—*see Instructions, page 6.*)	**55.** $______ 00	TAX FILERS ONLY	**66.** $______ 00
1994 U.S. income tax **paid** (Form 1040-line 46, 1040A-line 25, or 1040EZ-line 9)	**56.** $______ 00	TAX FILERS ONLY	**67.** $______ 00
1994 Income earned from work	Student **57.** $______ 00	Father	**68.** $______ 00
1994 Income earned from work	Spouse **58.** $______ 00	Mother	**69.** $______ 00
1994 Untaxed income and benefits (yearly totals only)			
Social security benefits	**59.** $______ 00		**70.** $______ 00
Aid to Families with Dependent Children (AFDC or ADC)	**60.** $______ 00		**71.** $______ 00
Child support received for all children	**61.** $______ 00		**72.** $______ 00
Other untaxed income and benefits, from Worksheet #2, page 11	**62.** $______ 00		**73.** $______ 00
1994 Exclusions from Worksheet #3, page 12.	**63.** $______ 00		**74.** $______ 00

ATTENTION

Section G: Asset Information

Be sure that you completed Worksheet A or Worksheet B in Instructions, page 7. If you meet certain tax filing and income conditions, you do not have to complete Section G to apply for Federal student aid. However, some states and colleges may require you to complete Section G.

PARENT(S)

82. Age of your older parent ☐☐

	STUDENT (& SPOUSE)	PARENT(S)
Cash, savings, and checking accounts	**75.** $______ 00	**83.** $______ 00
Other real estate and investments value *(Don't include the home.)*	**76.** $______ 00	**84.** $______ 00
Other real estate and investments debt *(Don't include the home.)*	**77.** $______ 00	**85.** $______ 00
Business value	**78.** $______ 00	**86.** $______ 00
Business debt	**79.** $______ 00	**87.** $______ 00
Farm value *(See Instructions, page 8.)*	**80.** $______ 00	**88.** $______ 00
Farm debt *(See Instructions, page 8.)*	**81.** $______ 00	**89.** $______ 00

Section H: Releases and Signatures

90-101. What college(s) do you plan to attend in 1995-96? *(Note: The colleges you list below will receive your application information. See Instructions, page 8.)*

Housing codes	1—on-campus	3—with parent(s)
	2—off-campus	4—with relative(s) other than parent(s)

	Title IV Code	College Name	College Address	City	State	Housing Code
	0 9 8 7 6 5	*Example University*	*14930 N. Something Ave.*	*Anywhere City*	*S T*	*2*
90.						91.
92.						93.
94.						95.
96.						97.
98.						99.
100.						101.

102. The U.S. Department of Education will send information from this form to your state agency and the state agencies of the colleges listed above so they can consider you for state aid. Check **"No"** if you **don't** want information released to the state. **If you check "No," any state student aid may be denied or delayed.** .... **102.** No ☐ 2
(See "Deadlines for State Student Aid" in Instructions, page 10.)

103. If you give Selective Service permission to register you, check **"Yes."** *(See Instructions, page 9.)* .... **103.** Yes ☐ 1

104–105. Read, Sign, and Date

Certification: All of the information provided by me or any other person on this form is true and complete to the best of my knowledge. I understand that this application is being filed jointly by all signatories. If asked by an authorized official, I agree to give proof of the information that I have given on this form. I realize that this proof may include a copy of my U.S. or state income tax return. I also realize that if I do not give proof when asked, the student may be denied aid.

Everyone whose information is given on this form should sign below. The student (and at least one parent, if parental information is given), must sign below or this form will be returned unprocessed.

If you (and your family) have unusual circumstances, complete this form and then check with your financial aid administrator. Examples:
- **tuition expenses at an elementary or secondary school,**
- **unusual medical or dental expenses not covered by insurance,**
- **a family member who recently became unemployed, or**
- **other unusual circumstances that might affect your eligibility for student financial aid.**

1 Student ____________________

2 Student's Spouse ____________________

3 **Father/Stepfather** ____________________

4 **Mother/Stepmother** ____________________

105. Date completed ☐☐-☐☐ Month Day Year 1995 ☐ 1996 ☐

School Use Only
D/O ☐
Title IV Code ☐☐☐☐☐☐
FAA Signature ____________________

MDE Use Only
Do not write in this box
Spec. handle ☐
No. copies ☐

Section I: Preparer's Use Only

For preparers other than student, spouse, and parent(s).
Student, spouse, and parent(s), sign above.

Preparer's last name ______ First name ______ M.I. ______

Firm name ____________________

Firm or preparer's address ______ City ______ State ______ ZIP ______

106. Employer identification number (EIN) ☐☐-☐☐☐☐☐☐☐

OR

107. Preparer's social security number ☐☐☐-☐☐-☐☐☐☐

Certification: All of the information on this form is true and complete to the best of my knowledge.

108. Preparer's signature ____________________ **Date** ______

MAKE SURE THAT YOU HAVE COMPLETED, DATED, AND SIGNED THIS APPLICATION.
Mail the application to: Federal Student Aid Programs, P.O. Box 4032, Iowa City, IA 52243-4032.

District of Columbia Department of Social Services
Aid to Dependent Children Office
1200 Main Street
Washington, D.C. 20019

TO: Financial Aid Office
Woodrow Wilson University

FROM: D. Bowles, Social Services Case Worker

DATE: March 15, 1995

This is to verify that Rita Davidson received $4716 ADC for the period January through December 1994.

Sincerely,

Donna Bowles

Donna Bowles
Social Services Case Worker

SOLUTIONS

Free Application for Federal Student Aid

1995-96 School Year

WARNING: If you purposely give false or misleading information on this form, you may be fined $10,000, sent to prison, or both.

"You" and "your" on this form always mean the student who wants aid.

FFFFF

Form Approved
OMB No. 1840-0110
App. Exp. 6/30/96

U.S. Department of Education
Student Financial
Assistance Programs

Section A: You (the student)

1–3. Your name DAVIDSON (1. Last) RITA (2. First) ☐ (3. M.I.)

Your title (optional) Mr. ☐ 1 Miss, Mrs., or Ms. ☐ 2

4–7. Your permanent mailing address *(All mail will be sent to this address. See Instructions, page 2 for state/country abbreviations.)*

4000 SEOG GRANT ROAD (4. Number and street (Include apt. no.))

WASHINGTON (5. City) DC (6. State) 20019 (7. ZIP code)

8. Your social security number *(Don't leave blank. See Instructions, page 2.)* 888-88-8888

9. Your date of birth 10-31-57 (Month Day Year)

10. Your permanent home telephone number 202-111-0000 (Area code)

11. Your state of legal residence DC (State)

12. Date you became a legal resident of the state in question 11 *(See Instructions, page 2.)* 01-15-80 (Month Day Year)

13–14. Your driver's license number *(Include the state abbreviation. If you don't have a license, write in "None.")*

(State) ☐ - NONE

15–16. Are you a U.S. citizen? *(See Instructions, pages 2 & 3.)*

Yes, I am a U.S. citizen. ☒ 1

No, but I am an eligible noncitizen. ☐ 2

A

No, neither of the above. ☐ 3

17. As of today, are you married? *(Check only one box.)*

I am not married. (I am single, widowed, or divorced.) ☒ 1

I am married. ☐ 2

I am separated from my spouse. ☐ 3

18. Date you were married, separated, divorced, or widowed. If divorced, use date of divorce or separation, whichever is earlier ☐ - ☐ (Month Year)

19. Will you have your first bachelor's degree before July 1, 1995? Yes ☐ 1 No ☒ 2

Section B: Education Background

20–21. Date that you (the student) received, or will receive, your high school diploma, either—

- by graduating from high school ☐ - ☐ (Month Year)

OR

- by earning a GED ☐ - ☐ (Month Year)

*(Enter **one** date. Leave blank if the question does not apply to you.)*

22–23. Highest educational level or grade level completed by your father and your mother *(Check one box for each parent. See Instructions, page 3.)*

	22. Father	23. Mother
elementary school (K–8)	☐ 1	☐ 1
high school (9–12)	☒ 2	☒ 2
college or beyond	☐ 3	☐ 3
unknown	☐ 4	☐ 4

Section C: Your Plans

*Answer these questions about your **college** plans.*

24–28. Your expected enrollment status for the 1995-96 school year *(See Instructions, page 3.)*

School term	Full time	3/4 time	1/2 time	Less than 1/2 time	Not enrolled
24. Summer term '95	☐ 1	☐ 2	☐ 3	☐ 4	☒ 5
25. Fall semester/qtr. '95	☒ 1	☐ 2	☐ 3	☐ 4	☐ 5
26. Winter quarter '95-96	☐ 1	☐ 2	☐ 3	☐ 4	☒ 5
27. Spring semester/qtr. '96	☒ 1	☐ 2	☐ 3	☐ 4	☐ 5
28. Summer term '96	☐ 1	☐ 2	☐ 3	☐ 4	☒ 5

29. Your course of study *(See Instructions, page 3.)* 0 4

30–31. College degree/certificate you expect to receive **and** the date you expect to receive it *(See Instructions, page 3.)*

30. Degree/certificate 3

31. Date 0 6 – 1 5 – 9 7 (Month – Day – Year)

32. Your grade level during the 1995-96 school year *(Check only one.)*

1st yr./never attended college ☐ 1
1st yr./attended college before ☒ 2
2nd year/sophomore ☐ 3
3rd year/junior ☐ 4
4th year/senior ☐ 5
5th year/other undergraduate ☐ 6
1st year graduate/professional ☐ 7
2nd year graduate/professional ☐ 8
3rd year graduate/professional ☐ 9
Beyond 3rd year graduate/professional ☐ 10

33–35. In addition to grants, what other types of financial aid are you (and your parents) interested in? *(See Instructions, page 3.)*

33. Student employment Yes ☒ 1 No ☐ 2
34. Student loans Yes ☒ 1 No ☐ 2
35. Parent loans for students Yes ☐ 1 No ☒ 2

36. If you are (or were) in college, do you plan to attend **that same college** in 1995-96? Yes ☐ 1 No ☒ 2

37. For how many dependents will you pay child care or elder care expenses in 1995-96? 0 1

38–39. Veterans education benefits you expect to receive from July 1, 1995 through June 30, 1996

38. Amount per month $ 0 .00
39. Number of months 0 0

Section D: Student Status

	Yes	No
40. Were you born **before** January 1, 1972?	☒ 1	☐ 2
41. Are you a veteran of the U.S. Armed Forces?	☐ 1	☒ 2
42. Will you be enrolled in a graduate or professional program (beyond a bachelor's degree) in 1995-96?	☐ 1	☒ 2
43. Are you married?	☐ 1	☒ 2
44. Are you an orphan or a ward of the court, or were you a ward of the court until age 18?	☐ 1	☐ 2
45. Do you have legal dependents (**other than a spouse**) that fit the definition in Instructions, page 4?	☒ 1	☐ 2

If you answered "Yes" to any question in Section D, go to Section E and fill out the GRAY and the WHITE areas on the rest of this form.

If you answered "No" to every question in Section D, go to Section E and fill out the YELLOW and the WHITE areas on the rest of this form.

Section E: Household Information

If you are filling out the GRAY and WHITE areas, answer questions 46 and 47 and go to Section F.

If you are filling out the YELLOW and WHITE areas, skip questions 46 and 47. Answer questions 48 through 52 about your parents, and then go on to Section F.

STUDENT (& SPOUSE)

46. Number in your household in 1995-96 (Include yourself and your spouse. Do not include your children and other people unless they meet the definition in Instructions, page 4.) 0 3

47. Number of college students in household in 1995-96 (Of the number in 46, how many will be in college at least half-time in at least one term? Include yourself. *See Instructions, page 4.*) 1

PARENT(S)

48. Your parents' **current** marital status:

single ☐ 1
married ☐ 2
separated ☐ 3
divorced ☐ 4
widowed ☐ 5

49. Your parents' state of legal residence ☐ State

50. Date your parent(s) became legal resident(s) of the state in question 49 *(See Instructions, page 5.)* ☐ – ☐ – ☐ (Month – Day – Year)

51. Number in your parents' household in 1995-96 (Include yourself and your parents. Do not include your parents' other children and other people unless they meet the definition in Instructions, page 5.) ☐

52. Number of college students in household in 1995-96 (Of the number in 51, how many will be in college at least half-time in at least one term? Include yourself. *See Instructions, page 5.*) ☐

BEST COPY AVAILABLE

Section F: 1994 Income, Earnings, and Benefits

Everyone must fill out the Student (& Spouse) column.

You must see Instructions, page 5, for information about tax forms and tax filing status. The instructions will tell you what income and benefits should be reported in this section.

STUDENT (& SPOUSE)

53. The following 1994 U.S. income tax figures are from: *(Check only one.)*

A—a completed 1994 IRS Form 1040A or 1040EZ ☐ 1
B—a completed 1994 IRS Form 1040 ☐ 2
C—an estimated 1994 IRS Form 1040A or 1040EZ ☐ 3
D—an estimated 1994 IRS Form 1040 ☐ 4
E—will not file a 1994 U.S. income tax return ☒ 5

PARENT(S)

64. **The following 1994 U.S. income tax figures are from:** ***(Check only one.)***

A—a completed 1994 IRS Form 1040A or 1040EZ ☐ 1
B—a completed 1994 IRS Form 1040 ☐ 2
C—an estimated 1994 IRS Form 1040A or 1040EZ ☐ 3
D—an estimated 1994 IRS Form 1040 ☐ 4
E—will not file a 1994 U.S. income tax return ☐ 5

TAX FILERS ONLY

	STUDENT (& SPOUSE)		PARENT(S)
1994 Total number of exemptions (Form 1040-line 6e, or 1040A-line 6e; 1040EZ filers— *see Instructions, page 6.*)	54.		65.
1994 Adjusted Gross Income (AGI-Form 1040-line 31, 1040A-line 16, or 1040EZ-line 3—*see Instructions, page 6.*)	55. $ .00		66. $ .00
1994 U.S. income tax **paid** (Form 1040-line 46, 1040A-line 25, or 1040EZ-line 9)	56. $ .00		67. $ .00
1994 Income earned from work	Student 57. $ 0 .00	Father	68. $ .00
1994 Income earned from work	Spouse 58. $ 0 .00	Mother	69. $ .00
1994 Untaxed income and benefits (yearly totals only)			
Social security benefits	59. $ 0 .00		70. $ .00
Aid to Families with Dependent Children (AFDC or ADC)	60. $ 4,716 .00		71. $ .00
Child support received for all children	61. $ 0 .00		72. $ .00
Other untaxed income and benefits, from Worksheet #2, page 11	62. $ 0 .00		73. $ .00
1994 Exclusions from Worksheet #3, page 12	63. $ 0 .00		74.

ATTENTION

Section G: Asset Information

Be sure that you completed Worksheet A or Worksheet B in Instructions, page 7. If you meet certain tax filing and income conditions, you do not have to complete Section G to apply for Federal student aid. However, some states and colleges may require you to complete Section G.

82. **Age of your older parent**

	STUDENT (& SPOUSE)	PARENT(S)
Cash, savings, and checking accounts	75. $ 0 .00	83. $ .00
Other real estate and investments value *(Don't include the home.)*	76. $ 0 .00	84. $ .00
Other real estate and investments debt *(Don't include the home.)*	77. $ 0 .00	85. $ .00
Business value	78. $ 0 .00	86. $ .00
Business debt	79. $ 0 .00	87. $ .00
Farm value *(See Instructions, page 8.)*	80. $ 0 .00	88. $ .00
Farm debt *(See Instructions, page 8.)*	81. $ 0 .00	89. $ .00

Section H: Releases and Signatures

90-101. What college(s) do you plan to attend in 1995-96?
*(**Note:** The colleges you list below will receive your application information. See Instructions, page 8.)*

Housing codes 1—on-campus 2—off-campus 3—with parent(s) 4—with relative(s) other than parent(s)

	Title IV Code	College Name	College Address	City	State	Housing Code
	0 9 8 7 6 5	*Example University*	*14930 N. Something Ave.*	*Anywhere City*	*S T*	*2*
90.						91.
92.						93.
94.						95.
96.						97.
98.						99.
100.						101.

102. The U.S. Department of Education will send information from this form to your state agency and the state agencies of the colleges listed above so they can consider you for state aid. Check **"No"** if you **don't** want information released to the state. **If you check "No," any state student aid may be denied or delayed.** .... **102.** No ☐ 2
(See "Deadlines for State Student Aid" in Instructions, page 10.)

103. If you give Selective Service permission to register you, check **"Yes."** *(See Instructions, page 9.)* .... **103.** Yes ☐ 1

104–105. Read, Sign, and Date

Certification: All of the information provided by me or any other person on this form is true and complete to the best of my knowledge. I understand that this application is being filed jointly by all signatories. If asked by an authorized official, I agree to give proof of the information that I have given on this form. I realize that this proof may include a copy of my U.S. or state income tax return. I also realize that if I do not give proof when asked, the student may be denied aid.

Everyone whose information is given on this form should sign below. The student (and at least one parent, if parental information is given), must sign below or this form will be returned unprocessed.

¹ Student Rita Davidson

² Student's Spouse

³ **Father/Stepfather**

⁴ **Mother/Stepmother**

105. Date completed 01-25 Month Day Year 1995 ☒ 1996 ☐

If you (and your family) have unusual circumstances, complete this form and then check with your financial aid administrator. Examples:
- **tuition expenses at an elementary or secondary school,**
- **unusual medical or dental expenses not covered by insurance,**
- **a family member who recently became unemployed, or**
- **other unusual circumstances that might affect your eligibility for student financial aid.**

School Use Only
D/O ☐
Title IV Code
FAA Signature

MDE Use Only
Do not write in this box
Spec. handle ☐
No. copies ☐

Section I: Preparer's Use Only

For preparers other than student, spouse, and parent(s).
Student, spouse, and parent(s), sign above.

Preparer's last name First name M.I.

Firm name

Firm or preparer's address City State ZIP

106. Employer identification number (EIN)

OR

107. Preparer's social security number

Certification: All of the information on this form is true and complete to the best of my knowledge.

108. Preparer's signature **Date**

MAKE SURE THAT YOU HAVE COMPLETED, DATED, AND SIGNED THIS APPLICATION.
Mail the application to: Federal Student Aid Programs, P.O. Box 4032, Iowa City, IA 52243-4032.

LAB

C

Performing Federal Need Analysis (Rita)

Lab Time: 30 minutes

OBJECTIVE

You will calculate an Expected Family Contribution (EFC) using the Federal Need Analysis Worksheets discussed in Session 14.

OVERVIEW

In this lab exercise, which accompanies Session 14, you will calculate the Expected Family Contribution (EFC) for Rita. Rita is going to attend school for 9 months.

The correct responses are provided in the Solution Section at the end of the lab exercise.

PREPARATIONS

You will be using the completed FAFSA(s) provided in the Solution Section or Rita's file. Blank EFC Worksheets are provided on the next few pages. The necessary tables are in Session 14, pages 6 to 15 of your Guide.

INSTRUCTIONS

Rita would like to know how much financial aid she will be eligible to receive. After you explain that the COA - EFC = Student's Need, she still had questions. Rita would like to know her EFC so she can plan her finances for school. You decide to calculate her EFC manually for planning purposes only. You emphasize to her that the official EFC must come from the Central Processing System (CPS).

Step 1: Determine which EFC Worksheet to use for Rita by asking yourself two questions:

1. Is Rita dependent or independent? (If independent, does she have dependents, not including a spouse?)
2. Is Rita eligible for simplified needs analysis?

A blank copy of each student's EFC Worksheet is provided in your lab materials.

Step 2: Complete the worksheet following the directions given for each line. You will need Rita's completed FAFSA and the tables provided at the end of Session 14 of your Guide.

Step 3: Check your worksheet against the correct responses in the Solutions Section at the end of the lab exercises.

Step 4: Remove Rita's completed EFC Worksheet from the binder and place it in her file. Also return the completed FAFSA to Rita's file.

1995-96 EFC FORMULA C : INDEPENDENT STUDENT
With Dependent(s) Other Than A Spouse

SIMPLIFIED WORKSHEET **C**

STUDENT/SPOUSE INCOME IN 1994

1. Student's and spouse's Adjusted Gross Income (FAFSA/SAR #55)

2. a. Student's income earned from work (FAFSA/SAR #57) ______

2. b. Spouse's income earned from work (FAFSA/SAR #58) + ______

Total student/spouse income earned from work = 2.

3. Student/spouse Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.) *

4. Untaxed income and benefits:

- Social Security benefits (FAFSA/SAR #59) ______
- AFDC/ADC (FAFSA/SAR #60) + ______
- Child support (FAFSA/SAR #61) + ______
- Other untaxed income (FAFSA/SAR #62) + ______

Total untaxed income and benefits = 4.

5. Taxable and untaxed income (sum of line 3 and line 4)

6. Exclusions (FAFSA/SAR #63) -

7. **TOTAL INCOME** (line 5 minus line 6) If negative, enter zero. =

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME

8. 1994 U.S. income tax paid (FAFSA/SAR #56) (tax filers only); if negative, enter zero.

9. State and other tax allowance (Table C1) +

10. Student's Social Security tax (Table C2) +

11. Spouse's Social Security tax (Table C2) +

12. Income protection allowance (Table C3) +

13. Employment expense allowance:

- Student and spouse both working: 35% of the lesser of the earned incomes, or $2,500, whichever is less.
- One-parent families: 35% of earned income, or $2,500, whichever is less) +

14. **TOTAL ALLOWANCES** =

AVAILABLE INCOME

Total income (from line 7)

Total allowances (from line 14) -

15. **AVAILABLE INCOME (AI)** May be a negative number. =

* STOP HERE if both of the following are true: line 3 is $12,000 or less, *and* the student & spouse are eligble to file a 1994 IRS Form 1040A or 1040EZ (they are not required to file a 1994 Form 1040, or they are not required to file any income tax return)—the student's EFC is zero.

STUDENT /SPOUSECONTRIBUTION FROM ASSETS

16. Cash, savings, & checking (FAFSA/SAR #75)

17. Other real estate & investments value ** (FAFSA/SAR #76) ______

Other real estate & investments debt ** (FAFSA/SAR #77) - ______

Net worth of real estate & investments If negative, enter zero. = 17.

18. Business value ** (FAFSA/SAR #78) ______

Business debt ** (FAFSA/SAR #79) - ______

Net worth of business If negative, enter zero = 18.

19. Farm value ** (FAFSA/SAR #80) ______

Farm debt ** (FAFSA/SAR #81) - ______

Net worth of farm If negative, enter zero. If the family resides on the farm, enter zero. = 19.

20. Net worth of business/farm (sum of lines 18 and 19)

21. Adjusted net worth of business/farm (Calculate, using Table C4.) → +

22. Net worth (sum of lines 16, 17, and 21) =

23. Asset protection allowance (Table C5) -

24. Discretionary net worth (line 22 minus line 23) =

25. Asset conversion rate X .12

26. **CONTRIBUTION FROM ASSETS** If negative, enter zero. =

EXPECTED FAMILY CONTRIBUTION

Available income (AI) (from line 15)

Contribution from assets (from line 26) +

27. **Adjusted available income (AAI)** May be a negative number =

28. **Total contribution from AAI** (Calculate, using Table C6; if negative, enter zero.)

29. **Number in college in 1995-96** (FAFSA/SAR #47) ÷

30. **EXPECTED FAMILY CONTRIBUTION** for 9-month enrollment *** =

** Do not include the net value of the family's home.

*** To calculate the EFC for other than 9-month enrollment, see page 2.

BEST COPY AVAILABLE

SOLUTIONS

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1995-96 EFC FORMULA C : INDEPENDENT STUDENT
With Dependent(s) Other Than A Spouse

SIMPLIFIED WORKSHEET C

STUDENT/SPOUSE INCOME IN 1994

1. Student's and spouse's Adjusted Gross Income (FAFSA/SAR #55)		0
2. a. Student's income earned from work (FAFSA/SAR #57)	0	
2. b. Spouse's income earned from work (FAFSA/SAR #58)	+	
Total student/spouse income earned from work = 2.		0
3. Student/spouse Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.) *		0
4. Untaxed income and benefits:		
• Social Security benefits (FAFSA/SAR #59)	0	
• AFDC/ADC (FAFSA/SAR #60)	+ 4,716	
• Child support (FAFSA/SAR #61)	+ 0	
• Other untaxed income (FAFSA/SAR #62)	+ 0	
Total untaxed income and benefits = 4.		4,716
5. Taxable and untaxed income (sum of line 3 and line 4)		4,716
6. Exclusions (FAFSA/SAR #63)	-	0
7. TOTAL INCOME (line 5 minus line 6) If negative, enter zero.	=	4,716

ALLOWANCES AGAINST STUDENT/SPOUSE INCOME

8. 1994 U.S. income tax paid (FAFSA/SAR #56) (tax filers only); if negative, enter zero.		0
9. State and other tax allowance (Table C1)	+	472
10. Student's Social Security tax (Table C2)	+	0
11. Spouse's Social Security tax (Table C2)	+	0
12. Income protection allowance (Table C3)	+	13,890
13. Employment expense allowance:		
• Student and spouse both working: 35% of the lesser of the earned incomes, or $2,500, whichever is less.		
• One-parent families: 35% of earned income, or $2,500, whichever is less)	+	0
14. TOTAL ALLOWANCES	=	14,362

AVAILABLE INCOME

Total income (from line 7)		4,716
Total allowances (from line 14)	-	14,362
15. AVAILABLE INCOME (AI) May be a negative number.	=	9,646

* STOP HERE if both of the following are true: line 3 is $12,000 or less, *and* the student & spouse are eligible to file a 1994 IRS Form 1040A or 1040EZ (they are not required to file a 1994 Form 1040, or they are not required to file any income tax return)—the student's EFC is zero.

STUDENT /SPOUSECONTRIBUTION FROM ASSETS

16. Cash, savings, & checking (FAFSA/SAR #75)		
17. Other real estate & investments value ** (FAFSA/SAR #76)		
Other real estate & investments debt ** (FAFSA/SAR #77)	-	
Net worth of real estate & investments If negative, enter zero. = 17.		
18. Business value ** (FAFSA/SAR #78)		
Business debt ** (FAFSA/SAR #79)	-	
Net worth of business If negative, enter zero = 18.		
19. Farm value ** (FAFSA/SAR #80)		
Farm debt ** (FAFSA/SAR #81)	-	
Net worth of farm If negative, enter zero. If the family resides on the farm, enter zero. = 19.		
20. Net worth of business/farm (sum of lines 18 and 19)		
21. Adjusted net worth of business/farm (Calculate, using Table C4.)	+	
22. Net worth (sum of lines 16, 17, and 21)	=	
23. Asset protection allowance (Table C5)	-	
24. Discretionary net worth (line 22 minus line 23)	=	
25. Asset conversion rate	X	.12
26. CONTRIBUTION FROM ASSETS If negative, enter zero.	=	

EXPECTED FAMILY CONTRIBUTION

Available income (AI) (from line 15)		-9,646
Contribution from assets (from line 26)	+	
27. Adjusted available income (AAI) May be a negative number	=	-9,646
28. Total contribution from AAI (Calculate, using Table C6; if negative, enter zero.)		0
29. Number in college in 1995-96 (FAFSA/SAR #47)	÷	1
30. EXPECTED FAMILY CONTRIBUTION for 9-month enrollment ***	=	0

** Do not include the net value of the family's home.

*** To calculate the EFC for other than 9-month enrollment, see page 2.

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LAB

D

Performing Verification and Updating and Making Corrections (Rita)

Lab Time: 30 minutes

OBJECTIVE

You will complete the verification process for an individual student.

OVERVIEW

In this lab exercise, which accompanies Session 16, you will perform verification on the Student Aid Report (SAR) for Rita.

The verification working paper used in Session 16 will be used as our worksheet for the verification process. This form is an example of a worksheet that you might develop at your school.

The correct responses are provided in the Solutions Section at the end of the lab exercise.

PREPARATIONS

You will be using Rita's SAR and completed Verification Worksheet provided in the lab materials. You will also need Rita's documentation of ADC, which is in the lab materials, in her file, or in the documents provided in Lab B. The blank verification working paper will be your worksheet.

INSTRUCTIONS

Rita has decided to attend your school for the 1995-96 award year. Rita would like to know her award package. But, before your school will allow you to package the awards, Rita must complete verification.

Step 1: Compare Rita's SAR to the appropriate documentation and her completed Verification Worksheet. Use the blank verification working paper to complete this process.

Step 2: Make any necessary changes to Part II of the SAR.

Step 3: Determine if the SAR needs to be reprocessed or if the errors are within the tolerances. If the SAR must be reprocessed, you may send the corrections or updates electronically, as your school has begun participating under the Electronic Data Exchange (EDE).

Step 4: Check your updates and corrections against the correct responses in the Solutions Section at the end of the lab exercise.

Step 5: Remove the verification working paper, SAR, and all other documents for Rita and place them in her file.

VERIFICATION WORKING PAPER

Name: Rita Davidson SS#: 888-88-8888 Dependency Status: ______
Tax return signed? Yes_____No_____ Returned_______ Verification Worksheet Signed? Yes_____ No_____ Returned______

Item Reported	Amount Reported	Amount Verified
Household Size		
Number in College		
Parent Adjusted Gross Income		
Parent Income Tax Paid		
Student/Spouse Adjusted Gross Income		
Student/Spouse Income Tax Paid		
Student Earnings		
Spouse Earnings		
Mother Earnings		
Father Earnings		
(AFDC or ADC)		
Social Security Benefits		
Child Support		
Exclusions		
Other Untaxed Income*		

*** Itemization of other untaxed income:**

Earned Income Credit ________________

Foreign Income Exclusion +________________

IRA and KEOGH Income +________________

Other Untaxed Income (Source:____________) +________________

TOTAL: =________________

Net Difference $__________
(Reported Difference Minus Verified Difference)

$400 Tolerance Used: None_____

Verification Status Code: N A W T C R S Recalculated EFC _____

Verification Performed By:______________________________ Date:____________________

DEPARTMENT OF EDUCATION UNITED STATES OF AMERICA

1995-96 Student Aid Report
Federal Student Aid Programs
Part 1 - Information Summary

FFFFF

OMB No. 1840-0132
Form Approved
Exp. 12-31-96

DA-01 PIN: 4214

IMPORTANT: Read **ALL** information in Part 1 to find out what to do with this Report.

S000,048T00000036

March 08, 1995
EFC: 00000 C

Page 1 of 5

RITA DAVIDSON
4000 SEOG GRANT RD
WASHINGTON, DC 20019

Read this letter carefully and review each item on Part 2 of this Student Aid Report (SAR). Follow the instructions at the top of Part 2 and in the Free Application for Federal Student Aid (FAFSA) instruction booklet to help you make corrections. For additional help with your SAR, contact your Financial Aid Administrator (FAA).

If all the information on this SAR is correct, you may be eligible to receive a Federal Pell Grant and other Federal student aid in 1995-96. Your FAA will determine whether you meet all eligibility requirements to receive aid. The amount of aid will depend on the cost of attendance at your school, your enrollment status (full-time, three-quarter-time, half-time, or less than half-time), Congressional budget restrictions, and other factors.

HERE IS WHAT YOU NEED TO DO NOW: Review the information on Part 2. If any of the information is incorrect, make corrections by following the instructions at the top of Part 2. IF ALL THE INFORMATION IS CORRECT, review the Student's Use Box on the back of the first page of Part 1. Provide the information required and sign your name. Then submit ALL 3 PARTS of your SAR to your FAA.

Be sure to review the items in boldface type on Part 2 of your SAR and make any corrections if necessary.

ATTENTION: We were unable to find any schools you listed on our school file, or you did not list any schools on your application, or did not verify any schools on your renewal application. To receive Federal student aid, you must attend a school that participates in the Federal student aid programs. Check with each school you are considering in 1995-96 to find out if it participates in these programs. Contact your FAA for assistance to make the necessary corrections to your SAR.

According to the Social Security Administration's records, the name you reported on your application does not correspond with the social security number in Item 8. You must review Items 1, 2, 3, and 8 and make corrections on your SAR where appropriate. If these items are correct, you should contact your local Social Security Administration office to resolve the problem.

You did not authorize us to release financial information to your State agency. While this does not affect your eligibility for Federal student aid, the State agency may need this information to consider you for other aid. If you want to release your complete financial information to your State agency, check the "Yes" box for Item 102 on Part 2 of your SAR.

D5EIN000048 00877800002

DA 01

This section contains information from your student aid application (shaded items display parents' information, if provided) Use the Information Review Form (Part 2 of your SAR) to correct this information. Do not make corrections on this page.

1. LAST NAME	DAVIDSON
2. FIRST NAME	RITA
3. MIDDLE INITIAL	
4. PERMANENT STREET ADDRESS	4000 SEOG GRANT RD
5. CITY	WASHINGTON
6. STATE ABBREVIATION	DC
7. ZIP CODE	20019
8. SOCIAL SECURITY NUMBER	
9. DATE OF BIRTH	OCTOBER 31, 1957
10. PERMANENT HOME PHONE NUMBER	(202) 111-0000
11. STATE OF LEGAL RESIDENCE	DC
12. DATE YOU BECAME A LEGAL RESIDENT	JANUARY 15, 1980
13. DRIVER'S LICENSE STATE ABBREVIATION	
14. DRIVER'S LICENSE NUMBER	NONE
15. CITIZENSHIP STATUS	U.S. CITIZEN
16. ALIEN REGISTRATION NUMBER	
17. MARITAL STATUS	UNMARRIED
18. DATE OF MARITAL STATUS	(BLANK)
19. FIRST BACHELOR'S DEGREE BY 7-1-95?	NO
20. HIGH SCHOOL GRADUATION DATE	(BLANK)
21. GED DIPLOMA DATE	(BLANK)
22. FATHER'S EDUCATIONAL LEVEL	HIGH SCHOOL
23. MOTHER'S EDUCATIONAL LEVEL	HIGH SCHOOL
24. ENROLLMENT STATUS SUMMER TERM 1995	NOT ENROLLED
25. ENROLLMENT STATUS FALL SEM/QTR 1995	FULL TIME
26. ENROLLMENT STATUS WINTER QTR 1995-96	NOT ENROLLED
27. ENROLLMENT STATUS SPRING SEM/QTR 1996	FULL TIME
28. ENROLLMENT STATUS SUMMER TERM 1996	NOT ENROLLED
29. COURSE OF STUDY	BUSINESS
30. TYPE OF DEGREE/CERTIFICATE	ASSOCIATE
31. DATE EXPECT TO RECEIVE DEGREE	JUNE 15, 1997
32. GRADE LEVEL IN COLLEGE IN 1995-96	1ST PREV ATTENDED
33. INTERESTED IN EMPLOYMENT?	YES
34. INTERESTED IN STUDENT LOANS?	YES
35. INTERESTED IN PARENT LOANS?	NO
36. ATTENDING SAME COLLEGE IN 1995-96?	NO
37. WILL PAY DEPENDENT CARE FOR HOW MANY?	01
38. MONTHLY VA BENEFITS AMOUNT	$ 0
39. HOW MANY MONTHS RECEIVE VA BENEFITS?	00
40. BORN BEFORE 1-1-72?	YES
41. VETERAN OF U.S. ARMED FORCES?	NO
42. ENROLLED IN GRADUATE PROGRAM 1995-96?	NO
43. ARE YOU MARRIED?	NO
44. ORPHAN OR WARD OF COURT?	NO
45. HAVE DEPENDENTS OTHER THAN SPOUSE?	YES
46. NUMBER OF FAMILY MEMBERS IN 1995-96	03
47. NUMBER IN COLLEGE IN 1995-96	1
48. MARITAL STATUS	(BLANK)
49. STATE OF LEGAL RESIDENCE	
50. DATE PARENT(S) BECAME LEGAL RESIDENTS	(BLANK)
51. NUMBER OF FAMILY MEMBERS IN 1995-96	
52. NUMBER IN COLLEGE IN 1995-96	

53. TYPE OF 1994 TAX FORM USED	NOT FILED
54. EXEMPTIONS CLAIMED	
55. ADJUSTED GROSS INCOME FROM IRS FORM	$
56. U.S. INCOME TAX PAID	$
57. STUDENT'S INCOME EARNED FROM WORK	$ 0
58. SPOUSE'S INCOME EARNED FROM WORK	$ 0
59. ANNUAL SOCIAL SECURITY BENEFITS	$ 0
60. ANNUAL AFDC/ADC	$ 4,716
61. ANNUAL CHILD SUPPORT RECEIVED	$ 0
62. OTHER UNTAXED INCOME	$ 0
63. 1994 EXCLUSIONS, WORKSHEET #3	$ 0
64. TYPE OF 1994 TAX FORM USED	(BLANK)
65. EXEMPTIONS CLAIMED	
66. ADJUSTED GROSS INCOME FROM IRS FORM	$
67. U.S. INCOME TAX PAID	$
68. FATHER'S INCOME EARNED FROM WORK	$
69. MOTHER'S INCOME EARNED FROM WORK	$
70. ANNUAL SOCIAL SECURITY BENEFITS	$
71. ANNUAL AFDC/ADC	$
72. ANNUAL CHILD SUPPORT RECEIVED	$
73. OTHER UNTAXED INCOME	$
74. 1994 EXCLUSIONS, WORKSHEET #3	$
75. CASH, SAVINGS, AND CHECKING	$ 0
76. OTHER REAL ESTATE/INVESTMENT VALUE	$ 0
77. OTHER REAL ESTATE/INVESTMENT DEBT	$ 0
78. BUSINESS VALUE	$ 0
79. BUSINESS DEBT	$ 0
80. FARM VALUE	$ 0
81. FARM DEBT	$ 0
82. AGE OF OLDER PARENT	
83. CASH, SAVINGS, AND CHECKING	$
84. OTHER REAL ESTATE/INVESTMENT VALUE	$
85. OTHER REAL ESTATE/INVESTMENT DEBT	$
86. BUSINESS VALUE	$
87. BUSINESS DEBT	$
88. FARM VALUE	$
89. FARM DEBT	$
90. FIRST COLLEGE NAME	
91. FIRST HOUSING STATUS	(BLANK)
92. SECOND COLLEGE NAME	
93. SECOND HOUSING STATUS	(BLANK)
94. THIRD COLLEGE NAME	
95. THIRD HOUSING STATUS	(BLANK)
96. FOURTH COLLEGE NAME	
97. FOURTH HOUSING STATUS	(BLANK)
98. FIFTH COLLEGE NAME	
99. FIFTH HOUSING STATUS	(BLANK)
100. SIXTH COLLEGE NAME	
101. SIXTH HOUSING STATUS	(BLANK)
102. SHOULD DATA BE RELEASED TO STATE?	NO
103. REGISTER YOU FOR SELECTIVE SERVICE?	(BLANK)
104. SIGNED BY?	STUDENT
105. DATE COMPLETED	JANUARY 25, 1995
106. PREPARER'S EIN	(BLANK)
107. PREPARER'S SOCIAL SECURITY NUMBER	(BLANK)
108. PREPARER'S SIGNATURE	(BLANK)

Student's Use Box EFC: 00000 C SEC.EFC: 01

CERTIFICATION STATEMENT ON REFUNDS AND DEFAULT

I certify that I do not owe a refund on any grant or loan, am not in default on any loan or have made satisfactory arrangements to repay any defaulted loan, and have not borrowed in excess of the loan limits, under Title IV programs, at any institution.

STATEMENT OF EDUCATIONAL PURPOSE

I will use all Title IV money received only for expenses related to my study at

____

(Name of Institution)

STATEMENT OF REGISTRATION STATUS

____ I certify that I am registered with Selective Service

____ I certify that I am not required to be registered with Selective Service because

- ____ I am a female
- ____ I am in the armed services on active duty (Note: Does not apply to members of the Reserves and National Guard who are not on active duty)
- ____ I have not reached my 18th birthday
- ____ I was born before 1960
- ____ I am a resident of the Federated States of Micronesia, or the Marshall Islands, or a permanent resident of the Trust Territory of the Pacific Islands (Palau)

____________________ ____________

(Student's Signature) (Date)

WARNING: To receive any Title IV financial aid, you must complete the Statement of Educational Purpose and Certification Statement on Refunds and Default, and you must be registered with Selective Service, if you are required to register. If you purposely give false or misleading information, you may be subject to a fine of up to $10,000, imprisonment for up to 5 years, or both.

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1995-96 Student Aid Report Federal Student Aid Programs Part 1 - Information Summary

FFFFF

OMB No. 1840-0132
Form Approved
Exp. 12-31-96

DA-01 PIN: 4214

IMPORTANT: Read **ALL** information in Part 1 to find out what to do with this Report.

FAA INFORMATION

```
Agency Source: 4          Model: I                      FAA Adjustment Flag:
MDE Record Type:          Duplicate Copy:               FAA Recalculation Flag:
Record Type:              SysGen:                       Reject Reasons:
Verification Type:        Dependency Override:          Electronic Transaction:
Verification Flag:        Special Handling: *           Application Receipt Date: 03/06/95

MONTHS:            1    2    3    4    5    6    7    8    9    10    11    12
PRIMARY EFC:                                               00000
SECONDARY EFC:

INTERMEDIATE COMPUTE VALUES:
 TI:   0004716  ATI:           STX:            IPA:            EA:
 AI:            DNW:           APA:            PCA:           AAI:
 TPC:           TSC:           APC:            SIC:           SCA:

Auto Zero EFC Flag: Y     Special Condition Flag:      SNT Flag: Y

MATCH FLAGS:
 SSN Match Flag: 3            NSLDS Match Flag: 1      Selective Service Registration Flag:
 Selective Service Match:     INS Match Flag:          INS Verification #:

COMMENTS: 104 148
```

D5EIN000048 00877800002

DA 01

RITA DAVIDSON

Part 1 - Information Summary
NSLDS INFORMATION

Federal Loan Programs	Net Loan Amount	Grade Level	Begin Date	End Date	Gross Disbursement

D5EIN000048 00877800002

DA 01

1995-96 Student Aid Report
Federal Student Aid Programs
Part 2 - Information Review Form

OMB No. 1840-0132
Form Approved
Exp. 12-31-96

Processed: 03-08-95
EFC: 00000 C

- Pay special attention to any items in **BOLDFACE TYPE**; they may need to be corrected.
- To correct an item, print the correct answer in the "The correct answer is" column.
- To delete an answer in the "You Told Us" column, draw a line through it.
- Use the code information on the last page of Part 2 if you need to correct items 24-28 and/or 32.
- If you make corrections, send **BOTH pages of Part 2** to the address on the last page of Part 2. **Do not attach tax or any other forms.**

DA-01 PIN: 4214

A. You (the student)

We asked for	You told us		The correct answer is
1. Last Name	DAVIDSON	1	
2. First Name	RITA	2	
3. Middle Initial		3	
4. Permanent Street Address	4000 SEOG GRANT RD	4	
5. City	WASHINGTON	5	
6. State Abbreviation	DC	6	
7. ZIP Code	20019	7	
8. Social Security Number		8	
9. Date of Birth	OCTOBER 31, 1957	9	- - MM-DD-YY
10. Permanent Home Phone Number	(202) 111-0000	10	- -
11. State of Legal Residence	DC	11	
12. Date You Became a Legal Resident	JANUARY 15, 1980	12	- - MM-DD-YY
13. Driver's License State Abbreviation		13	
14. Driver's License Number	NONE	14	
15. Citizenship Status	U.S. CITIZEN	15	
16. Alien Registration Number		16	A
17. Marital Status	UNMARRIED	17	
18. Date of Marital Status	(BLANK)	18	- MM-YY
19. First Bachelor's Degree by 7-1-95?	NO	19	☐ Yes ☐ No

B. Education Background

20. High School Graduation Date	(BLANK)	20	- MM-YY
21. GED Diploma Date	(BLANK)	21	- MM-YY
22. Father's Educational Level	HIGH SCHOOL	22	
23. Mother's Educational Level	HIGH SCHOOL	23	

C. Your Plans

24. Enrollment Status Summer Term 1995	NOT ENROLLED	24	<--Enter Code
25. Enrollment Status Fall Sem/Qtr 1995	FULL TIME	25	<--Enter Code
26. Enrollment Status Winter Qtr 1995-96	NOT ENROLLED	26	<--Enter Code
27. Enrollment Status Spring Sem/Qtr 1996	FULL TIME	27	<--Enter Code
28. Enrollment Status Summer Term 1996	NOT ENROLLED	28	<--Enter Code
29. Course of Study	BUSINESS	29	DO NOT CORRECT
30. Type of Degree/Certificate	ASSOCIATE	30	DO NOT CORRECT
31. Date Expect to Receive Degree	JUNE 15, 1997	31	- - MM-DD-YY
32. Grade Level in College in 1995-96	1ST PREV ATTENDED	32	<--Enter Code
33. Interested in Employment?	YES	33	☐ Yes ☐ No
34. Interested in Student Loans?	YES	34	☐ Yes ☐ No
35. Interested in Parent Loans?	NO	35	☐ Yes ☐ No
36. Attending Same College in 1995-96?	NO	36	☐ Yes ☐ No
37. Will Pay Dependent Care For How Many?	01	37	
38. Monthly VA Benefits Amount	$ 0	38	$ .0
39. How Many Months Receive VA Benefits?	00	39	

D5EIN000048 00877800002

DA 01

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We asked for	You told us		The correct answer is

D. Student Status

40. Born Before 1-1-72?	YES	40	☐ Yes ☐ No
41. Veteran of U.S. Armed Forces?	NO	41	☐ Yes ☐ No
42. Enrolled in Graduate Program 1995-96?	NO	42	☐ Yes ☐ No
43. Are You Married?	NO	43	☐ Yes ☐ No
44. Orphan or Ward of Court?	NO	44	☐ Yes ☐ No
45. Have Dependents Other Than Spouse?	YES	45	☐ Yes ☐ No

E. Household Information
Student (and Spouse)

46. Number of Family Members in 1995-96	03	46	☐☐
47. Number in College in 1995-96	1	47	☐

Parents

48. Marital Status	(BLANK)	48	
49. State of Legal Residence		49	☐☐
50. Date Parent(s) Became Legal Residents	(BLANK)	50	☐☐-☐☐-☐☐ MM-DD-YY
51. Number of Family Members in 1995-96		51	☐☐
52. Number in College in 1995-96		52	☐

F. 1994 Income, Earnings, and Benefits
Student (and Spouse)

Codes for Type of 1994 Tax Form Used (items 53 and 64):
1 - Completed 1994 IRS 1040A or 1040EZ
2 - Completed 1994 IRS 1040
3 - Estimated 1994 IRS 1040A or 1040EZ
4 - Estimated 1994 IRS 1040
5 - Will Not File a 1994 U.S. Income Tax Return

53. Type of 1994 Tax Form Used	NOT FILED	53	☐ <--Enter Code From Above
54. Exemptions Claimed		54	☐☐
55. Adjusted Gross Income From IRS Form	$	55	$ .00
56. U.S. Income Tax Paid	$	56	$ .00
57. Student's Income Earned From Work	$ 0	57	$ .00
58. Spouse's Income Earned From Work	$ 0	58	$ .00
59. Annual Social Security Benefits	$ 0	59	$ .00
60. Annual AFDC/ADC	$ 4,716	60	$ .00
61. Annual Child Support Received	$ 0	61	$ .00
62. Other Untaxed Income	$ 0	62	$ .00
63. 1994 Exclusions, Worksheet #3	$ 0	63	$ .00

Parents

64. Type of 1994 Tax Form Used	(BLANK)	64	☐ <--Enter Code From Above
65. Exemptions Claimed		65	☐☐
66. Adjusted Gross Income From IRS Form	$	66	$ .00
67. U.S. Income Tax Paid	$	67	$ .00
68. Father's Income Earned From Work	$	68	$ .00
69. Mother's Income Earned From Work	$	69	$ .00
70. Annual Social Security Benefits	$	70	$ .00
71. Annual AFDC/ADC	$	71	$ .00
72. Annual Child Support Received	$	72	$ .00
73. Other Untaxed Income	$	73	$ .00
74. 1994 Exclusions, Worksheet #3	$	74	$ .00

Part 2 (your Information Review Form) is continued on the following page. Please refer to the instructions on the front of Part 2 when reviewing the rest of your information. If you make corrections, send BOTH pages of Part 2 to the address next to the Certification statement at the end of Part 2.

DA 01

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1995-96 Student Aid Report Federal Student Aid Programs Part 2 - Information Review Form

FFFFF

OMB No. 1840-0132
Form Approved
Exp. 12-31-96

Processed: 03-08-95
EFC: 00000 C

CONTINUED

Continue reviewing this form as instructed on the previous page.
Be sure to read the information on the back of this page.

DA-01 PIN: 4214

We asked for	You told us		The correct answer is
G. Asset Information			
Student (and Spouse)	RITA DAVIDSON		
75. Cash, Savings, and Checking	$ 0	75	$ .00
76. Other Real Estate/Investment Value	$ 0	76	$ .00
77. Other Real Estate/Investment Debt	$ 0	77	$ .00
78. Business Value	$ 0	78	$ .00
79. Business Debt	$ 0	79	$ .00
80. Farm Value	$ 0	80	$ .00
81. Farm Debt	$ 0	81	$ .00
Parents			
82. Age of Older Parent		82	
83. Cash, Savings, and Checking	$	83	$ .00
84. Other Real Estate/Investment Value	$	84	$ .00
85. Other Real Estate/Investment Debt	$	85	$ .00
86. Business Value	$	86	$ .00
87. Business Debt	$	87	$ .00
88. Farm Value	$	88	$ .00
89. Farm Debt	$	89	$ .00

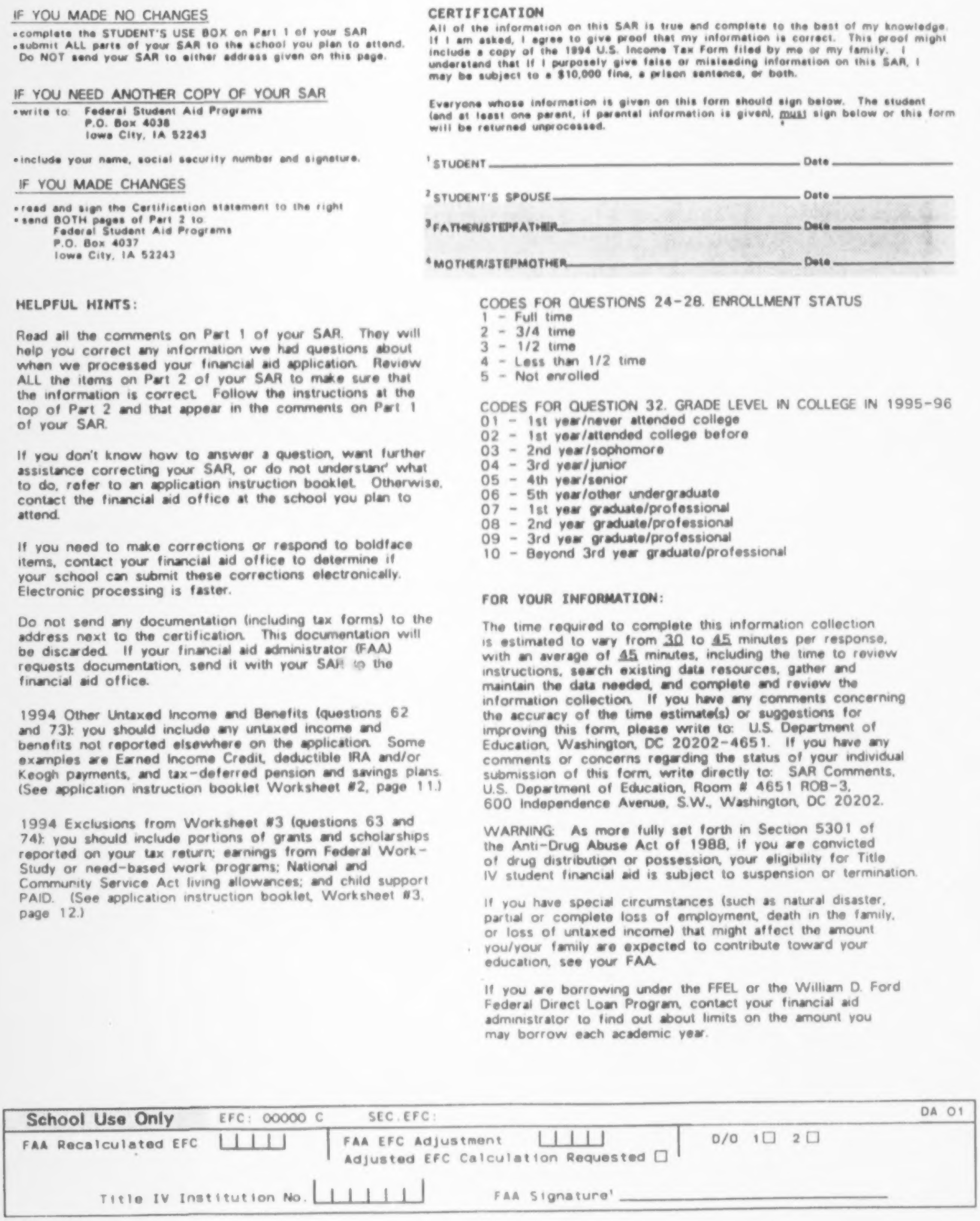
Housing Status Codes (items 91, 93, 95, 97, 99, and 101):
1 - On-Campus 3 - With Parent(s)
2 - Off-Campus 4 - With Relative(s) other than Parent(s)

H. Releases and Signatures			
90. First College Name		90	
College City and State			
91. First Housing Status	(BLANK)	91	<--Enter Code From Above
92. Second College Name		92	
College City and State			
93. Second Housing Status	(BLANK)	93	<--Enter Code From Above
94. Third College Name		94	
College City and State			
95. Third Housing Status	(BLANK)	95	<--Enter Code From Above
96. Fourth College Name		96	
College City and State			
97. Fourth Housing Status	(BLANK)	97	<--Enter Code From Above
98. Fifth College Name		98	
College City and State			
99. Fifth Housing Status	(BLANK)	99	<--Enter Code From Above
100. Sixth College Name		100	
College City and State			
101. Sixth Housing Status	(BLANK)	101	<--Enter Code From Above
102. SHOULD DATA BE RELEASED TO STATE?	NO	102	☐ Yes ☐ No
103. Register You For Selective Service?	(BLANK)	103	☐ Yes
104. Signed By?	STUDENT	104	DO NOT CORRECT
105. Date Completed	JANUARY 25, 1995	105	DO NOT CORRECT
106. Preparer's EIN	(BLANK)	106	☐☐-☐☐☐☐☐☐☐
107. Preparer's Social Security Number	(BLANK)	107	☐☐☐-☐☐-☐☐☐☐
108. Preparer's Signature	(BLANK)	108	

APPLICATION RECEIPT DATE: 03/06/95

D5EIN000048 00877800002

DA 01



IF YOU MADE NO CHANGES

- complete the STUDENT'S USE BOX on Part 1 of your SAR
- submit ALL parts of your SAR to the school you plan to attend. Do NOT send your SAR to either address given on this page.

IF YOU NEED ANOTHER COPY OF YOUR SAR

- write to: Federal Student Aid Programs
  P.O. Box 4038
  Iowa City, IA 52243

- include your name, social security number and signature.

IF YOU MADE CHANGES

- read and sign the Certification statement to the right
- send BOTH pages of Part 2 to
  Federal Student Aid Programs
  P.O. Box 4037
  Iowa City, IA 52243

CERTIFICATION

All of the information on this SAR is true and complete to the best of my knowledge. If I am asked, I agree to give proof that my information is correct. This proof might include a copy of the 1994 U.S. Income Tax Form filed by me or my family. I understand that if I purposely give false or misleading information on this SAR, I may be subject to a $10,000 fine, a prison sentence, or both.

Everyone whose information is given on this form should sign below. The student (and at least one parent, if parental information is given), must sign below or this form will be returned unprocessed.

[1] STUDENT ______________________ Date ____________

[2] STUDENT'S SPOUSE ______________________ Date ____________

[3] FATHER/STEPFATHER ______________________ Date ____________

[4] MOTHER/STEPMOTHER ______________________ Date ____________

HELPFUL HINTS:

Read all the comments on Part 1 of your SAR. They will help you correct any information we had questions about when we processed your financial aid application. Review ALL the items on Part 2 of your SAR to make sure that the information is correct. Follow the instructions at the top of Part 2 and that appear in the comments on Part 1 of your SAR.

If you don't know how to answer a question, want further assistance correcting your SAR, or do not understand what to do, refer to an application instruction booklet. Otherwise, contact the financial aid office at the school you plan to attend.

If you need to make corrections or respond to boldface items, contact your financial aid office to determine if your school can submit these corrections electronically. Electronic processing is faster.

Do not send any documentation (including tax forms) to the address next to the certification. This documentation will be discarded. If your financial aid administrator (FAA) requests documentation, send it with your SAR to the financial aid office.

1994 Other Untaxed Income and Benefits (questions 62 and 73): you should include any untaxed income and benefits not reported elsewhere on the application. Some examples are Earned Income Credit, deductible IRA and/or Keogh payments, and tax-deferred pension and savings plans. (See application instruction booklet Worksheet #2, page 11.)

1994 Exclusions from Worksheet #3 (questions 63 and 74): you should include portions of grants and scholarships reported on your tax return; earnings from Federal Work-Study or need-based work programs; National and Community Service Act living allowances; and child support PAID. (See application instruction booklet, Worksheet #3, page 12.)

CODES FOR QUESTIONS 24-28. ENROLLMENT STATUS
1 - Full time
2 - 3/4 time
3 - 1/2 time
4 - Less than 1/2 time
5 - Not enrolled

CODES FOR QUESTION 32. GRADE LEVEL IN COLLEGE IN 1995-96
01 - 1st year/never attended college
02 - 1st year/attended college before
03 - 2nd year/sophomore
04 - 3rd year/junior
05 - 4th year/senior
06 - 5th year/other undergraduate
07 - 1st year graduate/professional
08 - 2nd year graduate/professional
09 - 3rd year graduate/professional
10 - Beyond 3rd year graduate/professional

FOR YOUR INFORMATION:

The time required to complete this information collection is estimated to vary from 30 to 45 minutes per response, with an average of 45 minutes, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, DC 20202-4651. If you have any comments or concerns regarding the status of your individual submission of this form, write directly to: SAR Comments, U.S. Department of Education, Room # 4651 ROB-3, 600 Independence Avenue, S.W., Washington, DC 20202.

WARNING: As more fully set forth in Section 5301 of the Anti-Drug Abuse Act of 1988, if you are convicted of drug distribution or possession, your eligibility for Title IV student financial aid is subject to suspension or termination.

If you have special circumstances (such as natural disaster, partial or complete loss of employment, death in the family, or loss of untaxed income) that might affect the amount you/your family are expected to contribute toward your education, see your FAA.

If you are borrowing under the FFEL or the William D. Ford Federal Direct Loan Program, contact your financial aid administrator to find out about limits on the amount you may borrow each academic year.

School Use Only EFC: 00000 C SEC.EFC: DA 01

FAA Recalculated EFC

FAA EFC Adjustment
Adjusted EFC Calculation Requested ☐

D/O 1☐ 2☐

Title IV Institution No.

FAA Signature' ______________________

BEST COPY AVAILABLE

1995 - 96 Student Aid Report

Part 3 - Federal Pell Grant Payment Voucher

FFFFF

- FOR SCHOOL USE ONLY -

Do not staple, tear, or paper clip this form

FORM APPROVED
OMB NO. 1840-0132
Expiration Date 12-31-96

RITA DAVIDSON	SSN	TRANSACTION 01 PIN 4214
4000 SEOG GRANT RD	DOB 10-31-57	PROCESSED 03-08-95
WASHINGTON DC 20019	EFC 0000 C	SERIAL D5EIN000048

COMMENTS REGARDING PAYMENT DATA:

FOR SCHOOL USE ONLY - SCHOOL CERTIFICATION

I certify that payments to this student are correct according to the Federal Pell Grant Program regulations and statutes, instructions in the Federal Student Financial Aid Handbook, and the 1995-96 Payment Schedule.

I further certify that the student is making satisfactory academic progress in an eligible program, has signed a Statement of Educational Purpose, a Certification Statement on Refunds and Default, a Statement of Registration Status (if required), and has provided any documents for verification (if required).

I believe that the data supplied by the student, from which the Student Aid Report was produced, are accurate. I understand that my school is liable for incorrect payments made to the student, and that if I knowingly make false or misleading statements on this report, I am subject to a fine of up to $10,000, imprisonment for up to 5 years, or both, under provisions of the United States Criminal Code (including 18 U.S.C. 1001).

SIGNED BY________________________ DATE ______________

SCHOOL NAME________________________________

CITY________________________ STATE ______________

BEST COPY AVAILABLE

Part 3-Payment Voucher (to be completed by the school)

1 PELL INSTITUTION ID OF CAMPUS ATTENDED

☐ Yes

2 ACADEMIC CALENDAR

☐ 1 Credit hour (nonstandard term)
☐ 2 Quarter
☐ 3 Semester
☐ 4 Trimester
☐ 5 Clock hour
☐ 6 Credit hour without terms

3 COST OF ATTENDANCE (Dollars Only)

A. Standard OR B. Individual

☐ A
☐ B
☐ C
☐ D
☐ E
☐ F
☐ G
☐ H
☐ I
☐ J

4 VERIFICATION STATUS

☐ **N** Not selected
☐ **A** Accurate
☐ **W** Without documentation
☐ **T** Tolerance
☐ **C** Calculated
☐ **R** Reprocessed
☐ **S** Selected, not verified

5 TERM PROGRAMS ONLY

A. Enrollment Status

☐ 1 Full-time
☐ 2 Half-time
☐ 3 Three-quarter time
☐ 4 Other
☐ 5 Less than half-time

CLOCK HOUR PROGRAMS, OR CREDIT HOUR PROGRAMS WITHOUT TERMS

B. Hours/Credits expected to complete - Paid from this award year

C. Hours/Credits in program's academic year definition

TERM AND NONTERM PROGRAMS NOT USING FORMULA 1

D. Weeks enrolled in this award year

E. Weeks in program's academic year

ALL PROGRAMS

F. **PAYMENT METHODOLOGY**

☐ 1 Formula 1
☐ 2 Formula 2
☐ 3 Formula 3
☐ 4 Formula 4
☐ 5 Formula 5
☐ 6 Other

6 AMOUNT PAID TO DATE

7 REMAINING AMOUNT TO BE PAID

☐ **M** More Than a Full Academic Year

8 MONTHS IN WHICH REMAINING PAYMENTS WILL BE MADE

Number

☐ Jul
☐ Aug
☐ Sep
☐ Oct
☐ Nov
☐ Dec
☐ Jan
☐ Feb
☐ Mar
☐ Apr
☐ May
☐ Jun

9 DATE ENROLLED THIS AWARD YEAR

☐ Jul
☐ Aug
☐ Sep
☐ Oct
☐ Nov
☐ Dec
☐ Jan
☐ Feb
☐ Mar
☐ Apr
☐ May
☐ Jun

☐ 1995
☐ 1996

10 SECONDARY EFC USED

☐ 6 Secondary
☐ 1 Original

11 INCARCERATED

☐ **Y** Yes ☐ **N** No

If Yes, state where the student's correctional facility is located

RITA DAVIDSON
4000 SEOG GRANT RD
WASHINGTON DC 20019

DA 01 0000 C

MAKE NO MARKS IN THIS BOX

DA0401010000 1

1995-96 Verification Worksheet

Federal Student Aid Programs

U.S. Department
of Education

FORM APPROVED
OMB NO 1840-0132
EXP DATE 12/31/96

INDEPENDENT STUDENT

Your application was selected for review in a process called "Verification." In this process, your school will be comparing information from your application with signed copies of your (and your spouse's, if you are married) 1994 tax forms, or with W-2 forms or other financial documents. The law says we have the right to ask you for this information before awarding Federal aid. If there are differences between your application information and your financial documents, you may need to send in corrections on your Student Aid Report (SAR) and have a new SAR processed.

Try to complete verification as soon as possible, so that your financial aid won't be delayed. Your financial aid administrator will help you.

What you should do

1. Collect your (and your spouse's) financial documents (signed income tax forms, W-2 forms, etc.).
2. Talk to your financial aid administrator if you have questions about completing this worksheet.
3. Fill in and sign the worksheet—you (and your spouse).
4. Take the completed worksheet, tax forms, and any other documents your school needs to your financial aid administrator.
5. Your financial aid administrator will compare information on the documents. You may need to make corrections on your SAR and send it back to the application processor.

Your school must review the requested information, under the financial aid program rules (CFR Title 34, Part 668).

A. Student Information

Last name, First name, M.I.: Davidson, Rita
Social security number: 888-88-8888
Address (include apt. no.): 4000 Seog Grant Road
Date of birth: 10-31-57
City, State, ZIP code: Washington DC 20019
Phone number (include area code): (202) 111-0000

B. Family Information

List the people that you (and your spouse) will support between July 1, 1995 and June 30, 1996. Include:

- yourself
- your spouse
- your dependent children (if you provide more than half of their support).

Include other people as part of your family only if:

- they lived with you and got more than half their support from you (or your spouse) at the time you completed your student aid application
AND
- they will continue to get more than half their support from you from July 1, 1995 through June 30, 1996.

Write the names of all family members. Also write in the name of the college for any family member who will be attending college at least half-time between July 1, 1995 and June 30, 1996, and will be enrolled in a degree or certificate program. If you need more space, attach a separate page.

Full Name	Age	Relationship	College
Martha Jones	*24*	*Wife*	*City University*
Rita Davidson	37	self	Woodrow Wilson University
Becky Davidson	2	daughter	none
Richie Davidson	12	son	none

Public reporting burden for this collection of information is estimated to be 12 minutes per response, including time to review instructions, search existing data sources, gather and maintain the data needed, and complete and review the information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to U.S. Department of Education, Information Management and Compliance Division, Washington, D.C. 20202-4651, and to Office of Management and Budget, Paperwork Reduction Project (1840-0132), Washington, D.C. 20503.

C. Student's Tax Forms and Income Information

1. For all tax filers and non-tax filers (includes the 1994 IRS Form 1040, 1040A, 1040EZ, a tax return from Puerto Rico or a foreign income tax return). If you did not keep a copy of the tax return, request one from the Internal Revenue Service or from your tax preparer.

☐ Check and attach signed tax return.
☐ Check and complete: signed tax return will be mailed to the school by ____________, __________(date).
☒ Check here if you will not file and are not required to file a 1994 U.S. Income Tax Return.

2. Income earned from work: Use the W-2 or other earnings statements.

Employers	Amount

3. Amounts received for child support and other untaxed income.

Sources	Amount
ADC	4,716

(D. Spouse's Tax Forms and Income Information)

1. For all tax filers and non-tax filers (includes the 1994 IRS Form 1040, 1040A, 1040EZ, a tax return from Puerto Rico or a foreign income tax return). If your spouse did not keep a copy of the tax return, request one from the Internal Revenue Service or from the tax preparer.

☐ Check and attach signed tax return.
☐ Check and complete: signed tax return will be mailed to the school by ____________________(date).
☐ Check here if you will not file and are not required to file a 1994 U.S. Income Tax Return.

2. Income earned from work: Use the W-2 or other earnings statements.

Employers	Amount

3. Amounts received for child support and other untaxed income.

Sources	Amount

E. Sign this Worksheet

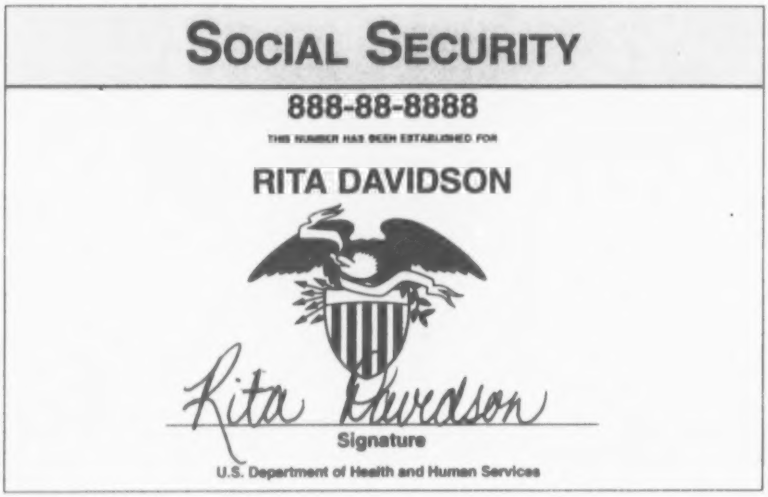
By signing this worksheet, I (we) certify that all the information reported to qualify for Federal student aid is complete and correct. (If married, spouse must sign.)

WARNING: If you purposely give false or misleading information on this worksheet, you may be fined, be sentenced to jail, or both.

Rita Davidson 3/15/95
Student Date

____
Spouse Date

Do not mail this worksheet to your application processor. Take it to your Financial Aid Administrator. Don't forget your tax forms.



SOCIAL SECURITY

888-88-8888

THIS NUMBER HAS BEEN ESTABLISHED FOR

RITA DAVIDSON

Rita Davidson

Signature

U.S. Department of Health and Human Services

SOLUTIONS

330

VERIFICATION WORKING PAPER

Name: Rita Davidson SS#: 888-88-8888 Dependency Status: I

Tax return signed? Yes_____ No_____ Returned_____ Verification Worksheet Signed? Yes ✓ No_____ Returned_____

Item Reported	Amount Reported	Amount Verified
Household Size	3	3
Number in College	1	1
Parent Adjusted Gross Income	N/A	N/A
Parent Income Tax Paid	N/A	N/A
Student/Spouse Adjusted Gross Income	non-filer	non-filer
Student/Spouse Income Tax Paid	N/A	N/A
Student Earnings	0	0
Spouse Earnings	N/A	N/A
Mother Earnings	N/A	N/A
Father Earnings	N/A	N/A
(AFDC or ADC)	4,716	4,716
Social Security Benefits	0	0
Child Support	0	0
Exclusions	0	0
Other Untaxed Income*	0	0

* Itemization of other untaxed income:

Earned Income Credit 0

Foreign Income Exclusion + 0

IRA and KEOGH Income + 0

Other Untaxed Income (Source:__________) + 0

TOTAL: = 0

Net Difference $ 0
(Reported Difference Minus Verified Difference)

$400 Tolerance Used: None ✓

Verification Status Code: N [✓ A] W T C R S Recalculated EFC ____

Verification Performed By: J.A. Archer Date: 8/8/95

LAB

E

Packaging (Rita)

Lab Time: 20 minutes

OBJECTIVE

You will practice packaging financial aid on the basis of the cost of attendance (COA) and Expected Family Contribution (EFC) using some of the methods discussed in Session 20.

OVERVIEW

In this lab exercise, which accompanies Session 20, you will develop financial aid packages for Rita using the ladder model or self-help model.

Your school has a packaging policy of awarding a maximum of two federal student loans. Your school's packaging policy also stipulates that a student cannot receive more than two types of campus-based aid. Students may apply for additional loans for which they are eligible. The school's campus-based award limits are:

FSEOG	$1,000
FWS	$1,000
Federal Perkins Loans	$1,500

Rita is a recipient of a Saratoga Scholarship in the amount $2,500.

The correct responses are provided in the Solutions Section at the end of the lab exercise.

PREPARATIONS

You will need Rita's SAR from her files. Blank packaging worksheets are provided in the lab materials.

INSTRUCTIONS

You are now ready to package Rita for 1995-96. Before you can package, however, you must develop a packaging philosophy for your school. After reviewing the school's funding levels, you decide to use the ladder model or the self-help model. Rita's award notification is going to be mailed to her within a month. Rita will be enrolled full time.

Step 1: Choose whether you will use the ladder model or the self-help model for packaging.

Step 2: Complete the packaging worksheet for Rita using the model you selected.

Step 3: Check your packaging worksheet against the correct response in the Solutions Section at the end of the lab exercise.

Step 4: Remove Rita's packaging worksheet from the binder. Put Rita's SAR and packaging worksheet in her files.

PACKAGING WORKSHEET

LADDER

Name: Rita Davidson

Date:

SSN: 888-88-8888

Counselor:

Campus-Based/FFEL Cost of Attendance			$11,805
Expected Family Contribution		-	$
Financial Need		=	$
Pell Cost of Attendance $11,805	Pell Grant	-	$
Remaining Need		=	$

Other Financial Assistance (Scholarships, Campus-Based Awards, FFEL Loans, etc.)	Amount	Remaining Need
1.	$	$
2.	$	$
3.	$	$
4.	$	$
Total Financial Aid, including Pell	$	
Remaining Need After Packaging		$

334

PACKAGING WORKSHEET

SELF-HELP

Name: Rita Davidson **Date:** ________

SSN: 888-88-8888 **Counselor:** ________

Campus-Based/FFEL Cost of Attendance			$11,805
Expected Family Contribution		-	$
Financial Need		=	$
Pell Cost of Attendance $11,805	**Pell Grant**	-	$
Remaining Need		=	$

Other Financial Assistance (Scholarships, Campus-Based Awards, FFEL Loans, etc.)	**Amount**	**Remaining Need**
1.	$	$
2.	$	$
3.	$	$
4.	$	$
Total Financial Aid, including Pell	$	
Remaining Need After Packaging		$

SOLUTIONS

PACKAGING WORKSHEET

LADDER

Name: Rita Davidson

Date:

SSN: 888-88-8888

Counselor: F. A. Archer

Campus-Based/FFEL Cost of Attendance			$11,805
Expected Family Contribution		-	$ 0
Financial Need		=	$11,805
Pell Cost of Attendance $11,805	Pell Grant	-	$ 2,340
Remaining Need		=	$ 9,465

Other Financial Assistance (Scholarships, Campus-Based Awards, FFEL Loans, etc.)	Amount	Remaining Need
1. Saratoga Scholarship	$ 2,500	$ 6,965
2. FSEOG	$ 1,000	$ 5,965
3. Federal Work-Study*	$ 1,000	$ 4,965
4. Federal Stafford Loan**	$ 2,625	$ 2,340
Total Financial Aid, including Pell	$ 9,465	
Remaining Need After Packaging		$ 2,340

*In an effort to reduce student loan debt-burden, Federal Work-Study was awarded. You may award a Federal Perkins Loan instead of Federal Work-Study.

**Rita may apply for an Federal Unsubsidized Stafford Loan for the amount of $2,340.

PACKAGING WORKSHEET

SELF-HELP

Name: Rita Davidson

Date:

SSN: 888-88-8888

Counselor: F. A. Archer

Campus-Based/FFEL Cost of Attendance				$11,805
Expected Family Contribution			-	$ 0
Financial Need			=	$11,805
Pell Cost of Attendance	$11,805	Pell Grant	-	$ 2,340
Remaining Need			=	$ 9,465

Other Financial Assistance (Scholarships, Campus-Based Awards, FFEL Loans, etc.)	Amount	Remaining Need
1. Saratoga Scholarship	$ 2,500	$ 6,965
2. FSEOG	$ 1,000	$ 5,965
3. Federal Work-Study*	$ 1,000	$ 4,965
4. Federal Stafford Loan**	$ 2,625	$ 2,340
Total Financial Aid, including Pell	$ 9,465	
Remaining Need After Packaging		$ 2,340

*In an effort to reduce student loan debt-burden, Federal Work-Study was awarded. You may award a Federal Perkins Loan instead of Federal Work-Study.

**Rita may apply for an Federal Unsubsidized Stafford Loan for the amount of $2,340.

LAB

F

Calculating Federal Pell Grant Cost of Attendance—All Schools (Rita)

Lab Time: 45 minutes

OBJECTIVE

You will practice calculating Pell Grant Cost of Attendance.

You will practice determining the annual award and calculating the disbursement amount for a Pell Grant award.

OVERVIEW

In this lab exercise, which accompanies Sessions 22a and 22b, you will be determining Rita's annual award and disbursement amount for a Pell Grant.

We will provide you with a Pell Grant Calculation Worksheet. On that worksheet, you will be provided with information to calculate the COA and determine the enrollment status. You will use Rita's SAR to determine the EFC.

The correct responses are provided in the Solutions Section at the end of the lab exercise.

PREPARATIONS

You will be using the SAR in Rita's file and the 1995-96 Pell Grant Payment and Disbursement Schedules provided in your copy of *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 4, beginning on page 4-125.

INSTRUCTIONS

This week your school is holding registration. Rita has registered for classes. The financial aid office will determine the Pell Grant disbursements for Rita. The business office can then be notified of the authorized disbursements.

Step 1: Decide whether your school will be a term school with credit hours or a school with credit hours without terms or with clock hours.

Step 2: Decide which of Rita's Pell Grant disbursement you will calculate.

Step 3: Calculate Rita's Pell Grant disbursement using the Pell Grant Calculation Worksheet and the Pell Grant Payment and Disbursement Schedules. Each worksheet has a scenario to follow during the calculation.

Step 4: Check your calculated disbursement amount with the correct responses in the Solutions Section.

Step 5: Remove the Pell Grant Calculation Worksheet from the binder and place it in Rita's file.

Rita is enrolled at **Your School**. She enrolls in 10 credit hours for the fall term and an additional 10 credit hours for the winter term. Rita does not enroll for the spring term. **Your School** operates on a quarter academic calendar (fall, winter, and spring quarters). The school defines its academic year as 36 credit hours and 30 weeks of instructional time, and uses minimum regulatory standards for determining enrollment status. The terms are not overlapping, and the program does not have multiple start dates. Each quarter is 10 weeks of instructional time. The fall term starts August 29, 1995. Tuition is $1,525 per quarter. **Your School** allows $150 per quarter for books and supplies, $1,625 per quarter for room and board, $200 per quarter for transportation and miscellaneous expenses, and $105 for student loan fees. Rita has dependent-care expenses of $1,200. The school meets all criteria for **Formula 1**.

Federal Pell Grant Calculation Worksheet

Standard-term, credit-hour programs
(Fall through spring terms equal to or greater than 30 weeks)

1. **Enrollment Status:** ☐ Full time ☐ 3/4 time ☐ 1/2 time ☐ < 1/2 time

2. **Cost of Attendance:**
$________ Tuition and fees
+________ Room and board
+________ Books, supplies, transportation, and miscellaneous expenses
+________ Dependent-care expenses
+________ Disability-related expenses
+________ Study abroad
+________ Employment-related cooperative educational program expenses
+________ Student loan fees
= $________ **Total COA**

3. **Scheduled Award:** (from full-time Payment Schedule) (EFC______) $________

4. **Payment Periods:** Number of payment periods in fall through spring ________

5. **Payment for a Payment Period:**

- Annual award from appropriate schedule $________
- Number of payment periods in the program's definition of AY ÷________
- Payment for term (payment period) = $________
- Number of terms enrolled in award year________
    - ◊ First term expected disbursement $________
    - ◊ Second term expected disbursement + $________
    - ◊ **Expected Federal Pell Grant for the award year** = $________

Rita is an off-campus student at **Your School**. **Your School** defines its academic year as 24 semester hours and 32 weeks of instructional time in the fall through spring semesters. Each semester has 16 weeks of instructional time. The summer term has 14 weeks of instructional time. To be considered a full-time student, a student must enroll in at least 12 semester hours in any term. The program is not offered with multiple start dates or overlapping terms. Rita plans to enroll 12 semester hours in both the spring semester and summer term. Tuition for a full-time student is $1,500 a term. **Your School** allows $200 per term for books and supplies, $2,000 per term for room and board for off-campus students, $325 per term for transportation and miscellaneous expenses, and $105 for student loan fees. Rita has dependent-care expenses of $1,200. The school meets all criteria for **Formula 1**.

Federal Pell Grant Calculation Worksheet
Standard-term, credit-hour programs
(Fall through spring terms equal to or greater than 30 weeks)

1. **Enrollment Status:** ☐ Full time ☐ 3/4 time ☐ 1/2 time ☐ < 1/2 time

2. **Cost of Attendance:**

$____________	Tuition and fees
+____________	Room and board
+____________	Books, supplies, transportation, and miscellaneous expenses
+____________	Dependent-care expenses
+____________	Disability-related expenses
+____________	Study abroad
+____________	Employment-related cooperative educational program expenses
+____________	Student loan fees
= $____________	**Total COA**

3. **Scheduled Award:** (from full-time Payment Schedule) (EFC______) $____________

4. **Payment Periods:** Number of payment periods in fall through spring ____________

5. **Payment for a Payment Period:**

- Annual award from appropriate schedule $____________
- Number of payment periods in the program's definition of AY ÷____________
- Payment for term (payment period) = $__________
- Number of terms enrolled in award year____________
  - ◊ First term expected disbursement $____________
  - ◊ Second term expected disbursement + $____________
  - ◊ **Expected Federal Pell Grant for the award year** = $____________

392

Rita is an off-campus student at **Your School**. **Your School** defines its academic year as 30 semester hours and 32 weeks of instructional time. **Your School** has 32 weeks of instructional time in a 14-week fall semester, a 4-week winter intersession, and a 14-week spring semester. Summer term has 11 weeks of instructional time. A student is required to be enrolled for 12 semester hours in each term in fall and spring semesters and summer term to be considered full time. A student is required by the institution to be enrolled 6 hours to be considered full time during the winter intersession for all purposes, including Title IV. The program is not offered with multiple start dates or overlapping terms. Rita plans to enroll 12 semester hours in fall semester, 6 semester hours in winter intersession, and 12 semester hours in spring semester. Tuition is $1,500 a semester and $750 for winter intersession. **Your School** allows $200 per semester for books and supplies and $100 for the winter intersession. **Your School** allows $325 per semester for transportation and miscellaneous expenses per semester and $160 for the winter intersession. **Your School** allows $2,000 per semester for room and board for off-campus students and $500 for the winter intersession. **Your School** also allows $105 for loan fees. Rita has dependent-care expenses of $1,500. The school meets all the criteria for **Formula 3**.

Federal Pell Grant Calculation Worksheet
Nonstandard-term, credit-hour programs

1. **Enrollment Status:**

Standard Terms ☐ Full time ☐ 3/4 time ☐ 1/2 time ☐ < 1/2 time
Nonstandard Terms ☐ Full time ☐ 3/4 time ☐ 1/2 time ☐ < 1/2 time

Nonstandard Term Calculation:
Full-time status:

$$\text{Hours in AY} \times \frac{\text{Weeks of instructional time in nonstandard term}}{\text{Weeks of instructional time in school's definition of AY}}$$

$$\text{Less than full-time status: } \frac{\text{Hours student takes in nonstandard term}}{\text{Hours required for full-time status in nonstandard term}}$$

Continued on next page

Federal Pell Grant Calculation Worksheet

Nonstandard-term, credit-hour programs (continued from previous page)

2. **Cost of Attendance:**

Tuition & fees $__________
Books & supplies +__________
Total = $__________
Proration ratio* x __________
Prorated costs = $__________(1)
Room and board $__________
Transportation and misc. personal +__________
Dependent-care expenses +__________
Disability-related expenses +__________
Study abroad +__________
Employment-related coop. ed. +__________
Student loan fees +__________
Total = $__________
Proration ratio** x __________
Prorated costs = $__________(2)
Total COA [(1) + (2)] = $__________

$$\text{* Proration ratio} = \frac{\text{Hours in program's definition of AY}}{\text{Hours in AY for student's program of study}}$$

$$\text{**Proration ratio} = \frac{\text{Weeks of instructional time in program's definition of AY}}{\text{Weeks of instructional time in the terms to which the costs apply}}$$

3. **Scheduled Award:** (from full-time Payment Schedule) (EFC______) $__________

4. **Payment Periods:** Number of terms in award year __________

5. **Payment for a Payment Period:**

- Annual award from appropriate schedule $__________

$$\text{Annual award} \times \frac{\text{Weeks of instructional time in term}}{\text{Weeks of instructional time in program's definition of AY}}$$

◊ First term expected disbursement $__________
◊ Second term expected disbursement + $__________
◊ Third term expected disbursement + $__________
◊ **Expected Federal Pell Grant for the award year** = $__________

Rita is enrolled full-time in a 720-clock-hour program at **Your School**. The school defines its academic year as 900 clock hours and 30 weeks of instructional time. A full-time student completes the 900 clock hours in 30 weeks of instructional time. Rita's program can be completed in 24 weeks of instructional time and starts on August 29, 1995. Charges for students enrolled in Rita's program of study are $2,350 for tuition and $300 for books and supplies. The allowances are $2,815 for room and board and $510 for transportation and miscellaneous expenses, and $105 for student loan fees. Rita has dependent-care expenses of $1,200. The school meets all criteria for **Formula 4**.

Federal Pell Grant Calculation Worksheet
Credit Hours Without Terms Program or Clock-Hours Program

1. **Enrollment Status:** ☐ Full time ☐ < 1/2 time

2. **Cost of Attendance**

Tuition & fees $__________
Books & supplies +__________
Total = $__________ (1)
Proration ratio* x __________
Prorated costs = $__________
Room & board $__________
Transportation & misc. personal +__________
Dependent-care expenses +__________
Disability-related expenses +__________
Study abroad +__________
Employment-related coop. ed. +__________
Student loan fees +__________
Total = $__________ (2)
Proration ratio** x __________
Prorated costs = $__________
Total COA = $__________

$$^{*}\ \text{Proration ratio} = \frac{\text{Hours in program's definition of AY}}{\text{Hours in AY for student's program of study}}$$

$$^{**}\ \text{Proration ratio} = \frac{\text{Weeks of instructional time in program's definition of AY}}{\text{Weeks of instructional time in the enrollment period to which the costs apply}}$$

3. **Scheduled Award:** (from full-time Payment Schedule) (EFC______) $__________
____

4. **Payment Periods:**

- Program length in hours
  Program length ≥ Academic year: Payment period = 1/2 x Academic year
  Program length < Academic year: Payment period = 1/2 x Program length
- Payment period definition __________ hours

Continued on next page

Federal Pell Grant Calculation Worksheet
Credit Hours Without Terms Program or Clock-Hours Program
(continued from previous page)

5. **Payment for a Payment Period:**

(1) Scheduled award x the lesser of:

$$\frac{\text{Weeks of instructional time for a full-time student to complete hours in a program}}{\text{Weeks of instructional time in school's definition of AY}}$$

OR

$$\frac{\text{Weeks of instructional time for a full-time student to complete the hours in AY}}{\text{Weeks of instructional time in school's definition of AY}}$$

OR

One (1)

(2): (1) x $\frac{\text{Hours in payment period}}{\text{Hours in program's definition of AY}}$

Payments: Hours ______________ to ______________ $____________

Hours ______________ to ______________ + $____________

Expected Federal Pell Grant for award year = $____________

SOLUTIONS

Rita is enrolled at **Your School**. She enrolls in 10 credit hours for the fall term and an additional 10 credit hours for the winter term. Rita does not enroll for the spring term. **Your School** operates on a quarter academic calendar (fall, winter, and spring quarters). The school defines its academic year as 36 credit hours and 30 weeks of instructional time, and uses minimum regulatory standards for determining enrollment status. The terms are not overlapping, and the program does not have multiple start dates. Each quarter is 10 weeks of instructional time. The fall term starts August 29, 1995. Tuition is $1,525 per quarter. **Your School** allows $150 per quarter for books and supplies, $1,625 per quarter for room and board, $200 per quarter for transportation and miscellaneous expenses, and $105 for student loan fees. Rita has dependent-care expenses of $1,200. The school meets all criteria for **Formula 1**.

Federal Pell Grant Calculation Worksheet

Standard-term, credit-hour programs
(Fall through spring terms equal to or greater than 30 weeks)

1. **Enrollment Status:** ☐ Full time ☒ 3/4 time ☐ 1/2 time ☐ < 1/2 time

2. **Cost of Attendance:**

$ 4,575	Tuition and fees
+ 4,875	Room and board
+ 1,050	Books, supplies, transportation, and miscellaneous expenses
+ 1,200	Dependent care
+ 0	Disability-related expenses
+ 0	Study abroad
+ 0	Employment-related cooperative educational program expenses
+ 105	Student loan fees
= $ 11,805	**Total COA**

3. **Scheduled Award:** (from full-time Payment Schedule) (EFC 0) $ 2,340

4. **Payment Periods:** Number of payment periods in fall through spring 3

5. **Payment for a Payment Period:**

- Annual award from appropriate schedule $ 1,755
- Number of payment periods in the program's definition of AY ÷ 3
- Payment for term (payment period) = $ 585
- Number of terms enrolled in award year 2
  - ◊ First term expected disbursement $ 585
  - ◊ Second term expected disbursement + $ 585
  - ◊ **Expected Federal Pell Grant for the award year** = $ 1,170

Rita is an off-campus student at **Your School**. **Your School** defines its academic year as 24 semester hours and 32 weeks of instructional time in the fall through spring semesters. Each semester has 16 weeks of instructional time. The summer term has 14 weeks of instructional time. To be considered a full-time student, a student must enroll in at least 12 semester hours in any term. The program is not offered with multiple start dates or overlapping terms. Rita plans to enroll 12 semester hours in both the spring semester and summer term. Tuition for a full-time student is $1,500 a term. **Your School** allows $200 per term for books and supplies, allows $2,000 per term for room and board for off-campus students, $325 per term for transportation and miscellaneous expenses, and $105 for student loan fees. Rita has dependent-care expenses of $1,200. The school meets all criteria for **Formula 1**.

Federal Pell Grant Calculation Worksheet

Standard-term, credit-hour programs
(Fall through spring terms equal to or greater than 30 weeks)

1. **Enrollment Status:** ☒ Full time ☐ 3/4 time ☐ 1/2 time ☐ < 1/2 time

2. **Cost of Attendance:**

$ 3,000	Tuition and fees
+ 4,000	Room and board
+ 1,050	Books, supplies, transportation, and miscellaneous expenses
+ 1,200	Dependent-care expenses
+ 0	Disability-related expenses
+ 0	Study abroad
+ 0	Employment-related cooperative educational program expenses
+ 105	Student loan fees
= $ 9,355	**Total COA**

3. **Scheduled Award:** (from full-time Payment Schedule) (EFC 0) $ 2,340

4. **Payment Periods:** Number of payment periods in fall through spring 2

5. **Payment for a Payment Period:**

- Annual award from appropriate schedule $ 2,340
- Number of payment periods in the program's definition of AY ÷ 2
- Payment for term (payment period) = $ 1,170
- Number of terms enrolled in award year 2
  - ◊ First term expected disbursement $ 1,170
  - ◊ Second term expected disbursement + $ 1,170
  - ◊ **Expected Federal Pell Grant for the award year** = $ 2,340

BEST COPY AVAILABLE

Rita is an off-campus student at **Your School**. **Your School** defines its academic year as 30 semester hours and 32 weeks of instructional time. **Your School** has 32 weeks of instructional time in a 14-week fall semester, a 4-week winter intersession, and a 14-week spring semester. Summer term has 11 weeks of instructional time. A student is required to be enrolled for 12 semester hours in each term in fall and spring semesters and summer term to be considered full time. A student is required by the institution to be enrolled 6 hours to be considered full time during the winter intersession for all purposes, including Title IV. The program is not offered with multiple start dates or overlapping terms. Rita plans to enroll 12 semester hours in fall semester, 6 semester hours in winter intersession, and 12 semester hours in spring semester. Tuition is $1,500 a semester and $750 for winter intersession. **Your School** allows $200 per semester for books and supplies and $100 for the winter intersession. **Your School** allows $325 per semester for transportation and miscellaneous expenses per semester and $160 for the winter intersession. **Your School** allows $2,000 per semester for room and board for off-campus students and $500 for the winter intersession. **Your School** also allows $105 for loan fees. Rita has dependent-care expenses of $1,500. The school meets all the criteria for **Formula 3**.

Federal Pell Grant Calculation Worksheet
Nonstandard-term, credit-hour programs

1. **Enrollment Status:**

Standard Terms	☒ Full time	☐ 3/4 time	☐ 1/2 time	☐ < 1/2 time
Nonstandard Terms	☒ Full time	☐ 3/4 time	☐ 1/2 time	☐ < 1/2 time

Nonstandard Term Calculation:

Full-time status:

$$\text{Hours in AY} \times \frac{\text{Weeks of instructional time in nonstandard term}}{\text{Weeks of instructional time in school's definition of AY}}$$

$30 \times \frac{4}{32} = 3$ or 4

Less than full-time status:

$$\frac{\text{Hours student takes in nonstandard term}}{\text{Hours required for full-time status in nonstandard term}}$$

N/A

Continued on next page

Federal Pell Grant Calculation Worksheet

Nonstandard-term, credit-hour programs (continued from previous page)

2. **Cost of Attendance:**

Tuition & fees $ 3,750
Books & supplies + 500
Total = $ 4,250
Proration ratio* x N/A
Prorated costs = $ 4,250 (1)
Room and board $ 4,500
Transportation and misc. personal + 810
Dependent-care expenses + 1,500
Disability-related expenses + 0
Study abroad + 0
Employment-related coop. ed. + 0
Student loan fees + 105
Total = $ 6915
Proration ratio** x N/A
Prorated costs = $ 6,915 (2)
Total COA [(1) + (2)] = $ 11,165

$$* \text{Proration ratio} = \frac{\text{Hours in program's definition of AY}}{\text{Hours in AY for student's program of study}}$$

$$** \text{Proration ratio} = \frac{\text{Weeks of instructional time in program's definition of AY}}{\text{Weeks of instructional time in the terms to which the costs apply}}$$

3. **Scheduled Award:** (from full-time Payment Schedule) (EFC 0) $ 2,340

4. **Payment Periods:** Number of terms in award year 3

5. **Payment for a Payment Period:**
- Annual award from appropriate schedule $ 2,340

$$\text{Annual award} \times \frac{\text{Weeks of instructional time in term}}{\text{Weeks of instructional time in program's definition of AY}}$$

$2,340 x $\frac{14}{32}$ = $1,024 (fall and spring term)

$2,340 x $\frac{4}{32}$ = $292 (winter term)

◊ First term expected disbursement $ 1,024
◊ Second term expected disbursement + $ 292
◊ Third term expected disbursement + $ 1,024
◊ **Expected Federal Pell Grant for the award year** = $ 2,340

Rita is enrolled full time in a 720-clock-hour program at **Your School**. The school defines its academic year as 900 clock hours and 30 weeks of instructional time. A full-time student completes the 900 clock hours in 30 weeks of instructional time. Rita's program can be completed in 24 weeks of instructional time and starts on August 29, 1995. Charges for students enrolled in Rita's program of study are $2,350 for tuition and $300 for books and supplies. The allowances are $2,815 for room and board and $510 for transportation and miscellaneous expenses, and $105 for student loan fees. Rita has dependent-care expenses of $1,200. The school meets all criteria for **Formula 4**.

Federal Pell Grant Calculation Worksheet

Credit Hours Without Terms Program or Clock-Hours Program

1. **Enrollment Status:** ☒ Full time ☐ < 1/2 time

2. **Cost of Attendance**

Tuition & fees	$ 2,350			
Books & supplies	+ 300			
Total		= $ 2,650		(1)
Proration ratio*		x 900/720		
Prorated costs			= $ 3,313	
Room & board	$ 2,815			
Transportation & misc. personal	+ 510			
Dependent-care expenses	+ 1,200			
Disability-related expenses	+ 0			
Study abroad	+ 0			
Employment-related coop. ed.	+ 0			
Student loan fees	+ 105			
Total		= $ 4,630		(2)
Proration ratio**		x 30/24		
Prorated costs			= $ 5,788	
Total COA			= $ 9,101	

* Proration ratio = $\frac{\text{Hours in program's definition of AY}}{\text{Hours in AY for student's program of study}}$

** Proration ratio = $\frac{\text{Weeks of instructional time in program's definition of AY}}{\text{Weeks of instructional time in the enrollment period to which the costs apply}}$

3. **Scheduled Award:** (from full-time Payment Schedule) (EFC 0) $ 2,340

4. **Payment Periods:**
- Program length in hours
  - Program length ≥ Academic year: Payment period = 1/2 x Academic year
  - Program length < Academic year: Payment period = 1/2 x Program length
- Payment period definition 360 hours

Continued on next page

Federal Pell Grant Calculation Worksheet

Credit Hours Without Terms Program or Clock-Hours Program
(continued from previous page)

5. **Payment for a Payment Period:**
(1) Scheduled award x the lesser of:

$$\$2{,}340 \times \frac{24\ \text{weeks}}{30\ \text{weeks}} = \$1{,}872$$

$$\frac{\text{Weeks of instructional time for a full-time student to complete hours in a program}}{\text{Weeks of instructional time in school's definition of AY}}$$

OR

$$\frac{\text{Weeks of instructional time for a full-time student to complete the hours in AY}}{\text{Weeks of instructional time in school's definition of AY}}$$

OR

One (1)

$$(2){:}\ (1) \times \frac{\text{Hours in payment period}}{\text{Hours in program's definition of AY}} \qquad \$1{,}872 \times \frac{360\ \text{hrs}}{900\ \text{hrs}} = \$749$$

Payments:	Hours	1	to	360	$ 749
	Hours	361	to	720	+ $ 749
Expected Federal Pell Grant for award year					= $ 1,498

403

LAB

G

Completing Payment Vouchers (Rita)

Lab Time: 15 minutes

OBJECTIVE

You will become familiar with the Pell Grant payment voucher and learn how to complete the payment voucher to receive payment.

OVERVIEW

In this lab exercise, which accompanies Session 23, you will review the sections of the Pell Grant payment voucher. You will complete a payment voucher for Rita.

The correct responses are provided in the Solutions Section at the end of the lab exercise.

PREPARATIONS

You will need Rita's Pell Grant Calculation Worksheets from her file. Blank payment vouchers are provided in the lab materials for Rita.

INSTRUCTIONS

Step 1: Decide which of Rita's Pell Grant Calculation Worksheets from Lab F you are going to work with in this exercise, the one on page Lab F-10 or the one on page Lab F-14. Your institutional code is 000000.

Step 2: Complete the payment voucher for Rita using one of the Pell Grant Calculation Worksheets (page Lab F-10 or page Lab F-14). All the items on the payment voucher must be completed to override the information reported on the Institutional Payment Summary (IPS). Remember, only the first payment of the Pell Grant has been paid at this point. Refer to Session 23 if you have any questions.

Step 3: Verify the completed payment voucher with the correct responses provided in the Solutions Section at the end of the lab exercise.

Step 4: Sign, date, and complete the back of the payment voucher.

The payment voucher would be sent to the Central Processing System (CPS) for processing; you probably want to keep a copy in Rita's file.

DEPARTMENT OF EDUCATION · UNITED STATES OF AMERICA

1995 - 96 Student Aid Report

Part 3 - Federal Pell Grant Payment Voucher

FFFFF

- FOR SCHOOL USE ONLY -

Do not staple, tear, or paper clip this form

FORM APPROVED
OMB NO. 1840-0132
Expiration Date 12-31-96

RITA DAVIDSON
4000 SEOG GRANT RD
WASHINGTON DC 20019

SSN
DOB 10-31-57
EFC 0000 C

TRANSACTION 01 PIN 4214
PROCESSED 03-08-95
SERIAL D5EIN000048

COMMENTS REGARDING PAYMENT DATA:

FOR SCHOOL USE ONLY - SCHOOL CERTIFICATION

I certify that payments to this student are correct according to the Federal Pell Grant Program regulations and statutes, instructions in the Federal Student Financial Aid Handbook, and the 1995-96 Payment Schedule.

I further certify that the student is making satisfactory academic progress in an eligible program, has signed a Statement of Educational Purpose, a Certification Statement on Refunds and Default, a Statement of Registration Status (if required), and has provided any documents for verification (if required).

I believe that the data supplied by the student, from which the Student Aid Report was produced, are accurate. I understand that my school is liable for incorrect payments made to the student, and that if I knowingly make false or misleading statements on this report, I am subject to a fine of up to $10,000, imprisonment for up to 5 years, or both, under provisions of the United States Criminal Code (including 18 U.S.C. 1001).

SIGNED BY____________________ DATE ____________

SCHOOL NAME__________________________

CITY____________________ STATE ____________

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Part 3-Payment Voucher (to be completed by the school)

1 PELL INSTITUTION ID OF CAMPUS ATTENDED

☐ Yes

2 ACADEMIC CALENDAR

- ☐ 1 Credit hour (nonstandard term)
- ☐ 2 Quarter
- ☐ 3 Semester
- ☐ 4 Trimester
- ☐ 5 Clock hour
- ☐ 6 Credit hour without terms

3 COST OF ATTENDANCE (Dollars Only)

A. Standard OR B. Individual

- ☐ A
- ☐ B
- ☐ C
- ☐ D
- ☐ E
- ☐ F
- ☐ G
- ☐ H
- ☐ I
- ☐ J

4 VERIFICATION STATUS

- ☐ **N** Not selected
- ☐ **A** Accurate
- ☐ **W** Without documentation
- ☐ **T** Tolerance
- ☐ **C** Calculated
- ☐ **R** Reprocessed
- ☐ **S** Selected, not verified

5

TERM PROGRAMS ONLY	CLOCK HOUR PROGRAMS, OR CREDIT HOUR PROGRAMS WITHOUT TERMS		TERM AND NONTERM PROGRAMS NOT USING FORMULA 1		ALL PROGRAMS
A. Enrollment Status	B. Hours/Credits expected to complete - Paid from this award year	C. Hours/Credits in program's academic year definition	D. Weeks enrolled in this award year	E. Weeks in program's academic year	F. PAYMENT METHODOLOGY
☐ 1 Full-time ☐ 2 Half-time ☐ 3 Three-quarter time ☐ 4 Other ☐ 5 Less than half-time					☐ 1 Formula 1 ☐ 2 Formula 2 ☐ 3 Formula 3 ☐ 4 Formula 4 ☐ 5 Formula 5 ☐ 6 Other

6 AMOUNT PAID TO DATE

7 REMAINING AMOUNT TO BE PAID

☐ **M** More Than a Full Academic Year

8 MONTHS IN WHICH REMAINING PAYMENTS WILL BE MADE

Number

- ☐ Jul
- ☐ Aug
- ☐ Sep
- ☐ Oct
- ☐ Nov
- ☐ Dec
- ☐ Jan
- ☐ Feb
- ☐ Mar
- ☐ Apr
- ☐ May
- ☐ Jun

9 DATE ENROLLED THIS AWARD YEAR

- ☐ Jul
- ☐ Aug
- ☐ Sep
- ☐ Oct
- ☐ Nov
- ☐ Dec
- ☐ Jan
- ☐ Feb
- ☐ Mar
- ☐ Apr
- ☐ May
- ☐ Jun

- ☐ 1995
- ☐ 1996

10 SECONDARY EFC USED

- ☐ 6 Secondary
- ☐ 1 Original

11 INCARCERATED

☐ **Y** Yes ☐ **N** No

If Yes, state where the student's correctional facility is located

RITA DAVIDSON
4000 SEOG GRANT RD
WASHINGTON DC 20019

DA 01 0000 C

MAKE NO MARKS IN THIS BOX

DA04010100001

DEPARTMENT OF EDUCATION · UNITED STATES OF AMERICA

1995 - 96 Student Aid Report

Part 3 - Federal Pell Grant Payment Voucher FFFFF

- FOR SCHOOL USE ONLY -

Do not staple, tear, or paper clip this form

FORM APPROVED
OMB NO. 1840-0132
Expiration Date 12-31-96

RITA DAVIDSON	SSN	TRANSACTION 01 PIN 4214
4000 SEOG GRANT RD	DOB 10-31-57	PROCESSED 03-08-95
WASHINGTON DC 20019	EFC 0000 C	SERIAL D5EIN000048

COMMENTS REGARDING PAYMENT DATA:

FOR SCHOOL USE ONLY - SCHOOL CERTIFICATION

I certify that payments to this student are correct according to the Federal Pell Grant Program regulations and statutes, instructions in the Federal Student Financial Aid Handbook, and the 1995-96 Payment Schedule.

I further certify that the student is making satisfactory academic progress in an eligible program, has signed a Statement of Educational Purpose, a Certification Statement on Refunds and Default, a Statement of Registration Status (if required), and has provided any documents for verification (if required).

I believe that the data supplied by the student, from which the Student Aid Report was produced, are accurate. I understand that my school is liable for incorrect payments made to the student, and that if I knowingly make false or misleading statements on this report, I am subject to a fine of up to $10,000, imprisonment for up to 5 years, or both, under provisions of the United States Criminal Code (including 18 U.S.C. 1001).

SIGNED BY________________________________ DATE ______________

SCHOOL NAME____

CITY________________________________ STATE ______________

BEST COPY AVAILABLE

Part 3-Payment Voucher (to be completed by the school)

1 PELL INSTITUTION ID OF CAMPUS ATTENDED

☐ Yes

2 ACADEMIC CALENDAR

- ☐ 1 Credit hour (nonstandard term)
- ☐ 2 Quarter
- ☐ 3 Semester
- ☐ 4 Trimester
- ☐ 5 Clock hour
- ☐ 6 Credit hour without terms

3 COST OF ATTENDANCE (Dollars Only)

A. Standard OR B. Individual

- ☐ A
- ☐ B
- ☐ C
- ☐ D
- ☐ E
- ☐ F
- ☐ G
- ☐ H
- ☐ I
- ☐ J

4 VERIFICATION STATUS

- ☐ **N** Not selected
- ☐ **A** Accurate
- ☐ **W** Without documentation
- ☐ **T** Tolerance
- ☐ **C** Calculated
- ☐ **R** Reprocessed
- ☐ **S** Selected, not verified

5 TERM PROGRAMS ONLY

A. Enrollment Status

- ☐ 1 Full-time
- ☐ 2 Half-time
- ☐ 3 Three-quarter time
- ☐ 4 Other
- ☐ 5 Less than half-time

CLOCK HOUR PROGRAMS, OR CREDIT HOUR PROGRAMS WITHOUT TERMS

B. Hours/Credits expected to complete - Paid from this award year

C. Hours/Credits in program's academic year definition

TERM AND NONTERM PROGRAMS NOT USING FORMULA 1

D. Weeks enrolled in this award year

E. Weeks in program's academic year

ALL PROGRAMS

F. PAYMENT METHODOLOGY

- ☐ 1 Formula 1
- ☐ 2 Formula 2
- ☐ 3 Formula 3
- ☐ 4 Formula 4
- ☐ 5 Formula 5
- ☐ 6 Other

6 AMOUNT PAID TO DATE

7 REMAINING AMOUNT TO BE PAID

☐ **M** More Than a Full Academic Year

8 MONTHS IN WHICH REMAINING PAYMENTS WILL BE MADE

Number

- ☐ Jul
- ☐ Aug
- ☐ Sep
- ☐ Oct
- ☐ Nov
- ☐ Dec
- ☐ Jan
- ☐ Feb
- ☐ Mar
- ☐ Apr
- ☐ May
- ☐ Jun

9 DATE ENROLLED THIS AWARD YEAR

- ☐ Jul
- ☐ Aug
- ☐ Sep
- ☐ Oct
- ☐ Nov
- ☐ Dec
- ☐ Jan
- ☐ Feb
- ☐ Mar
- ☐ Apr
- ☐ May
- ☐ Jun

- ☐ 1995
- ☐ 1996

10 SECONDARY EFC USED

- ☐ 6 Secondary
- ☐ 1 Original

11 INCARCERATED

☐ **Y** Yes ☐ **N** No

If Yes, state where the student's correctional facility is located

RITA DAVIDSON
4000 SEOG GRANT RD
WASHINGTON DC 20019

DA 01 0000 C

MAKE NO MARKS IN THIS BOX

DA040101000011

408

SOLUTIONS

1995-96 EFC FORMULA A: DEPENDENT STUDENT

SIMPLIFIED WORKSHEET
Page 1
A

PARENTS' INCOME IN 1994		
1. Parents' Adjusted Gross Income (FAFSA/SAR #66)		22,261
2. a. Father's income earned from work (FAFSA/SAR #68)	8,566	▨
2. b. Mother's income earned from work (FAFSA/SAR #69)	+ 11,791	▨
Total parents' income earned from work	= 2.	20,357
3. Parents' Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.) *		22,261
4. Untaxed income and benefits:		▨
• Social Security benefits (FAFSA/SAR #70)	0	▨
• AFDC/ADC (FAFSA/SAR #71)	+ 0	▨
• Child support received (FAFSA/SAR #72)	+ 0	▨
• Other untaxed income (FAFSA/SAR #73)	+ 13	▨
Total untaxed income and benefits	= 4.	13
5. Taxable and untaxed income (sum of line 3 and line 4)		22,274
6. Exclusions (FAFSA/SAR #74)	-	0
7. **TOTAL INCOME** (line 5 minus line 6) If negative, enter zero.	=	22,274

ALLOWANCES AGAINST PARENTS' INCOME		
8. 1994 U.S. income tax paid (FAFSA/SAR #67) (tax filers only); if negative, enter zero.		369
9. State and other tax allowance (Table A1)	+	1,559
10. Father's Social Security tax (Table A2)	+	655
11. Mother's Social Security tax (Table A2)	+	902
12. Income protection allowance (Table A3)	+	21,760
13. Employment expense allowance: • Two working parents: 35% of the lesser of the earned incomes, or $2,500, whichever is less.		▨
• One-parent families: 35% of earned income, or $2,500, whichever is less.	+	2,500
14. TOTAL ALLOWANCES	=	27,745

AVAILABLE INCOME		
Total income (from line 7)		22,274
Total allowances (from line 14)	-	27,745
15. AVAILABLE INCOME (AI) May be a negative number.	=	-5471

STOP HERE if both of the following are true: line 3 is $12,000 or less, *and* the parents are eligible to file a 1994 IRS Form 1040A or 1040EZ (they are not required to file a 1994 Form 1040, or they are not required to file any income tax return)—the student's EFC is zero.

PARENTS' CONTRIBUTION FROM ASSETS	
16. [illegible]	
17. [illegible] (FAFSA/SAR [illegible])	▨
[illegible] (FAFSA/SAR [illegible])	▨
Net worth [illegible] If negative, [illegible]	
18. Business value ** (FAFSA/SAR [illegible])	▨
Business debt ** (FAFSA/SAR [illegible])	▨
Net worth of business If negative, enter zero	
19. Farm value ** (FAFSA/SAR [illegible])	▨
Farm debt ** (FAFSA/SAR [illegible])	▨
[illegible]	
20. [illegible]	▨
21. [illegible]	
22. [illegible]	
23. [illegible]	
24. [illegible]	
25. Asset conversion rate	
26. CONTRIBUTION FROM ASSETS If negative, enter zero.	

PARENTS' CONTRIBUTION		
Available income (AI) (from line 15)		-5,471
[illegible]	+	
27. **Adjusted available income (AAI)** May be a negative number.	=	-5,471
28. **Total parents' contribution from AAI** (Calculate, using Table A6; if negative, enter zero.)		0
29. **Number in college in 1995-96** (FAFSA/SAR #52)	+	2
30. **PARENTS' CONTRIBUTION** (standard contribution for 9-month enrollment)		0

** Do not include the family's home.

continued on reverse

@@

1995 - 96 Student Aid Report

Part 3 - Federal Pell Grant Payment Voucher

FFFFF

- FOR SCHOOL USE ONLY -

Do not staple, tear, or paper clip this form

FORM APPROVED
OMB NO 1840-0132
Expiration Date 12-31-96

RITA DAVIDSON
4000 SEOG GRANT RD
WASHINGTON DC 20019

SSN
DOB 10-31-57
EFC 0000 C

TRANSACTION 01 PIN 4214
PROCESSED 03-08-95
SERIAL D5EIN000048

COMMENTS REGARDING PAYMENT DATA:

FOR SCHOOL USE ONLY - SCHOOL CERTIFICATION

I certify that payments to this student are correct according to the Federal Pell Grant Program regulations and statutes, instructions in the Federal Student Financial Aid Handbook, and the 1995-96 Payment Schedule.

I further certify that the student is making satisfactory academic progress in an eligible program, has signed a Statement of Educational Purpose, a Certification Statement on Refunds and Default, a Statement of Registration Status (if required), and has provided any documents for verification (if required).

I believe that the data supplied by the student, from which the Student Aid Report was produced, are accurate. I understand that my school is liable for incorrect payments made to the student, and that if I knowingly make false or misleading statements on this report, I am subject to a fine of up to $10,000, imprisonment for up to 5 years, or both, under provisions of the United States Criminal Code (including 18 U.S.C. 1001).

SIGNED BY F.A. Archer DATE 10/1/95

SCHOOL NAME Woodrow Wilson University

CITY Arlington STATE VA

@@

BEST COPY AVAILABLE

Part 3-Payment Voucher (to be completed by the school)

1 PELL INSTITUTION ID OF CAMPUS ATTENDED

☐ Yes

000000

2 ACADEMIC CALENDAR

- ☐ 1 Credit hour (nonstandard term)
- ☒ 2 Quarter
- ☐ 3 Semester
- ☐ 4 Trimester
- ☐ 5 Clock hour
- ☐ 6 Credit hour without terms

3 COST OF ATTENDANCE (Dollars Only)

A. Standard OR B. Individual

- ☐ A
- ☐ B
- ☐ C
- ☐ D
- ☐ E
- ☐ F
- ☐ G
- ☐ H
- ☐ I
- ☐ J

11805

4 VERIFICATION STATUS

- ☐ N Not selected
- ☒ A Accurate
- ☐ W Without documentation
- ☐ T Tolerance
- ☐ C Calculated
- ☐ R Reprocessed
- ☐ S Selected, not verified

5 TERM PROGRAMS ONLY

A Enrollment Status

- ☐ 1 Full-time
- ☐ 2 Half-time
- ☒ 3 Three-quarter time
- ☐ 4 Other
- ☐ 5 Less than half-time

CLOCK HOUR PROGRAMS, OR CREDIT HOUR PROGRAMS WITHOUT TERMS

B. Hours/Credits expected to complete - Paid from this award year

C. Hours/Credits in program's academic year definition

TERM AND NONTERM PROGRAMS NOT USING FORMULA 1

D. Weeks enrolled in this award year

E. Weeks in program's academic year

ALL PROGRAMS

F. PAYMENT METHODOLOGY

- ☒ 1 Formula 1
- ☐ 2 Formula 2
- ☐ 3 Formula 3
- ☐ 4 Formula 4
- ☐ 5 Formula 5
- ☐ 6 Other

6 AMOUNT PAID TO DATE

585

7 REMAINING AMOUNT TO BE PAID

585

☐ M More Than a Full Academic Year

8 MONTHS IN WHICH REMAINING PAYMENTS WILL BE MADE

Number 1

- ☐ Jul
- ☐ Aug
- ☐ Sep
- ☐ Oct
- ☒ Nov
- ☐ Dec
- ☐ Jan
- ☐ Feb
- ☐ Mar
- ☐ Apr
- ☐ May
- ☐ Jun

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- ☐ Jan
- ☐ Feb
- ☐ Mar
- ☐ Apr
- ☐ May
- ☐ Jun

- ☒ 1995
- ☐ 1996

10 SECONDARY EFC USED

- ☐ 6 Secondary
- ☒ 1 Original

11 INCARCERATED

☐ Y Yes ☒ N No

If Yes, state where the student's correctional facility is located

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RITA DAVIDSON
4000 SEOG GRANT RD
WASHINGTON DC 20019

MAKE NO MARKS IN THIS BOX

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DEPARTMENT OF EDUCATION
UNITED STATES OF AMERICA

1995 - 96 Student Aid Report

Part 3 - Federal Pell Grant Payment Voucher

FFFFF

- FOR SCHOOL USE ONLY -

Do not staple, tear, or paper clip this form

FORM APPROVED
OMB NO. 1840-0132
Expiration Date 12-31-96

RITA DAVIDSON
4000 SEOG GRANT RD
WASHINGTON DC 20019

SSN
DOB 10-31-57
EFC 0000 C

TRANSACTION 01 PIN 4214
PROCESSED 03-08-95
SERIAL D5EIN000048

COMMENTS REGARDING PAYMENT DATA:

FOR SCHOOL USE ONLY - SCHOOL CERTIFICATION

I certify that payments to this student are correct according to the Federal Pell Grant Program regulations and statutes, instructions in the Federal Student Financial Aid Handbook, and the 1995-96 Payment Schedule.

I further certify that the student is making satisfactory academic progress in an eligible program, has signed a Statement of Educational Purpose, a Certification Statement on Refunds and Default, a Statement of Registration Status (if required), and has provided any documents for verification (if required).

I believe that the data supplied by the student, from which the Student Aid Report was produced, are accurate. I understand that my school is liable for incorrect payments made to the student, and that if I knowingly make false or misleading statements on this report, I am subject to a fine of up to $10,000, imprisonment for up to 5 years, or both, under provisions of the United States Criminal Code (including 18 U.S.C. 1001).

SIGNED BY F.A. Archer DATE 10/1/95

SCHOOL NAME Woodrow Wilson University

CITY Arlington STATE VA

BEST COPY AVAILABLE

Part 3-Payment Voucher (to be completed by the school)

1 PELL INSTITUTION ID OF CAMPUS ATTENDED

☐ Yes

0 0 0 0 0 0

2 ACADEMIC CALENDAR

- ☐ 1 Credit hour (nonstandard term)
- ☐ 2 Quarter
- ☐ 3 Semester
- ☐ 4 Trimester
- ☒ 5 Clock hour
- ☐ 6 Credit hour without terms

3 COST OF ATTENDANCE (Dollars Only)

A. Standard OR B. Individual

- ☐ A
- ☐ B
- ☐ C
- ☐ D
- ☐ E
- ☐ F
- ☐ G
- ☐ H
- ☐ I
- ☐ J

B. Individual: 9 1 0 1

4 VERIFICATION STATUS

- ☐ **N** Not selected
- ☒ **A** Accurate
- ☐ **W** Without documentation
- ☐ **T** Tolerance
- ☐ **C** Calculated
- ☐ **R** Reprocessed
- ☐ **S** Selected, not verified

5

TERM PROGRAMS ONLY	CLOCK HOUR PROGRAMS, OR CREDIT HOUR PROGRAMS WITHOUT TERMS		TERM AND NONTERM PROGRAMS NOT USING FORMULA 1		ALL PROGRAMS
A. Enrollment Status	B. Hours/Credits expected to complete - Paid from this award year	C. Hours/Credits in program's academic year definition	D. Weeks enrolled in this award year	E. Weeks in program's academic year	F. PAYMENT METHODOLOGY
☐ 1 Full-time ☐ 2 Half-time ☐ 3 Three-quarter time ☐ 4 Other ☐ 5 Less than half-time	720	900	24	30	☐ 1 Formula 1 ☐ 2 Formula 2 ☐ 3 Formula 3 ☒ 4 Formula 4 ☐ 5 Formula 5 ☐ 6 Other

6 AMOUNT PAID TO DATE

749

7 REMAINING AMOUNT TO BE PAID

749

☐ **M** More Than a Full Academic Year

8 MONTHS IN WHICH REMAINING PAYMENTS WILL BE MADE

Number 1

☐ Jul	☒ Nov	☐ Mar
☐ Aug	☐ Dec	☐ Apr
☐ Sep	☐ Jan	☐ May
☐ Oct	☐ Feb	☐ Jun

9 DATE ENROLLED THIS AWARD YEAR

☐ Jul	☐ Jan
☒ Aug	☐ Feb
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- ☒ 1995
- ☐ 1996

10 SECONDARY EFC USED

- ☐ 6 Secondary
- ☒ 1 Original

11 INCARCERATED

☐ **Y** Yes ☒ **N** No

If Yes, state where the student's correctional facility is located

RITA DAVIDSON
4000 SEOG GRANT RD
WASHINGTON DC 20019

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LAB

H

Certifying Federal Stafford Loans (Rita)

Lab Time: 60 minutes

OBJECTIVE

You will become acquainted with the Application and Promissory Note for Federal Stafford Loans and practice certifying subsidized and unsubsidized loans.

OVERVIEW

In this lab exercise, which accompanies Session 25, you will be given the opportunity to certify a Federal Stafford Loan for Rita. You will need the following information to certify her loan:

- Rita Davidson (1st year, independent student)

In your lab booklet, you will be given an Application and Promissory Note for Federal Stafford Loans for Rita. This will give you the opportunity to practice certifying Rita's loan application on your own in this lab.

The correct responses are provided in the Solutions Section at the end of the lab exercise.

PREPARATIONS

You will be using the loan application provided on the next few pages. Information needed to certify Rita's loan application (such as cost of attendance, estimated financial aid, and Expected Family Contribution) will be found in Rtia's file or in Lab B, Lab E, and Lab G documentation.

INSTRUCTIONS

Rita now has decided to apply for a Federal Stafford Loan and completed and submitted her loan application to the financial aid office. Today, September 2, 1995, you must certify the loan so that you can forward the loan application to the appropriate lender. The loan period for Rita is August 24, 1995 to May 18, 1996.

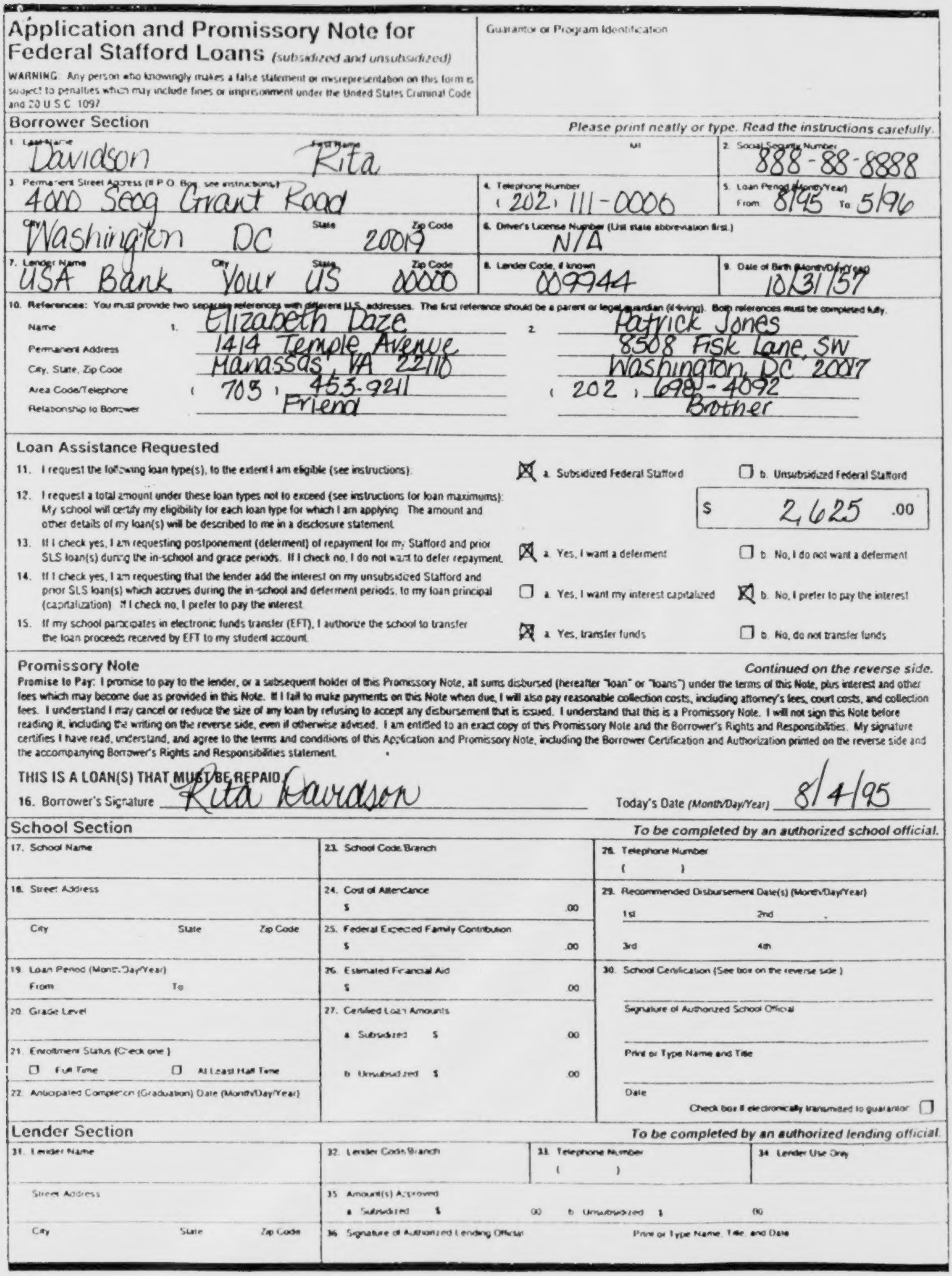
Step 1: Pull the **self-help** packaging worksheet from Rita's file or from the Solutions Section in Lab E.

Step 2: Review the Borrower Section for accuracy and completeness. Make sure that Rita has provided references and has completed Items 11-16.

Step 3: Complete the School Section. Refer to Lab B, Student Information, to obtain the school's address; Lab E, Packaging Worksheet, to obtain the student's cost of attendance, estimated financial aid, and Expected Family Contribution; and Lab G, Instructions, Step 1, to obtain the school code. Rita's grade level is provided in the lab overview. Rita's requested loan amount is in the borrower's section of the loan application (Item 12). Remember to indicate recommended disbursement dates on the basis of the concepts discussed in Session 25. The first day of the enrollment period was August 24, 1995.

Step 4: Check the completed loan application against the correct response in the Solutions Section at the end of the lab exercise.

Step 5: Remove the loan application from the binder. The school's copy of the application should be put in Rita's file.



Application and Promissory Note for Federal Stafford Loans *(subsidized and unsubsidized)*

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties which may include fines or imprisonment under the United States Criminal Code and 20 U.S.C. 1097.

Guarantor or Program Identification

Borrower Section

Please print neatly or type. Read the instructions carefully.

1. Last Name: Davidson First Name: Rita MI:
2. Social Security Number: 888-88-8888
3. Permanent Street Address (If P.O. Box, see instructions): 4000 Seog Grant Road
City: Washington State: DC Zip Code: 20019
4. Telephone Number: (202) 111-0006
5. Loan Period (Month/Year) From 8/95 To 5/96
6. Driver's License Number (List state abbreviation first.): N/A
7. Lender Name: USA Bank City: Your State: US Zip Code: 00000
8. Lender Code, if known: 009944
9. Date of Birth (Month/Day/Year): 10/31/57

10. References: You must provide two separate references with different U.S. addresses. The first reference should be a parent or legal guardian (if living). Both references must be completed fully.

	1.	2.
Name	Elizabeth Daze	Patrick Jones
Permanent Address	1414 Temple Avenue	8508 Fisk Lane, SW
City, State, Zip Code	Manassas, VA 22110	Washington, DC 20017
Area Code/Telephone	(703) 453-9211	(202) 698-4092
Relationship to Borrower	Friend	Brother

Loan Assistance Requested

11. I request the following loan type(s), to the extent I am eligible (see instructions): ☒ a. Subsidized Federal Stafford ☐ b. Unsubsidized Federal Stafford

12. I request a total amount under these loan types not to exceed (see instructions for loan maximums): My school will certify my eligibility for each loan type for which I am applying. The amount and other details of my loan(s) will be described to me in a disclosure statement. $ 2,625 .00

13. If I check yes, I am requesting postponement (deferment) of repayment for my Stafford and prior SLS loan(s) during the in-school and grace periods. If I check no, I do not want to defer repayment. ☒ a. Yes, I want a deferment ☐ b. No, I do not want a deferment

14. If I check yes, I am requesting that the lender add the interest on my unsubsidized Stafford and prior SLS loan(s) which accrues during the in-school and deferment periods, to my loan principal (capitalization). If I check no, I prefer to pay the interest. ☐ a. Yes, I want my interest capitalized ☒ b. No, I prefer to pay the interest

15. If my school participates in electronic funds transfer (EFT), I authorize the school to transfer the loan proceeds received by EFT to my student account. ☒ a. Yes, transfer funds ☐ b. No, do not transfer funds

Promissory Note

Continued on the reverse side.

Promise to Pay: I promise to pay to the lender, or a subsequent holder of this Promissory Note, all sums disbursed (hereafter "loan" or "loans") under the terms of this Note, plus interest and other fees which may become due as provided in this Note. If I fail to make payments on this Note when due, I will also pay reasonable collection costs, including attorney's fees, court costs, and collection fees. I understand I may cancel or reduce the size of any loan by refusing to accept any disbursement that is issued. I understand that this is a Promissory Note. I will not sign this Note before reading it, including the writing on the reverse side, even if otherwise advised. I am entitled to an exact copy of this Promissory Note and the Borrower's Rights and Responsibilities. My signature certifies I have read, understand, and agree to the terms and conditions of this Application and Promissory Note, including the Borrower Certification and Authorization printed on the reverse side and the accompanying Borrower's Rights and Responsibilities statement.

THIS IS A LOAN(S) THAT MUST BE REPAID.

16. Borrower's Signature: Rita Davidson Today's Date *(Month/Day/Year)*: 8/4/95

School Section

To be completed by an authorized school official.

17. School Name
18. Street Address
City State Zip Code
19. Loan Period (Month/Day/Year) From To
20. Grade Level
21. Enrollment Status (Check one.) ☐ Full Time ☐ At Least Half Time
22. Anticipated Completion (Graduation) Date (Month/Day/Year)
23. School Code/Branch
24. Cost of Attendance $ .00
25. Federal Expected Family Contribution $ .00
26. Estimated Financial Aid $ .00
27. Certified Loan Amounts
a. Subsidized $ .00
b. Unsubsidized $ .00
28. Telephone Number ( )
29. Recommended Disbursement Date(s) (Month/Day/Year)
1st 2nd
3rd 4th
30. School Certification (See box on the reverse side.)
Signature of Authorized School Official
Print or Type Name and Title
Date
Check box if electronically transmitted to guarantor ☐

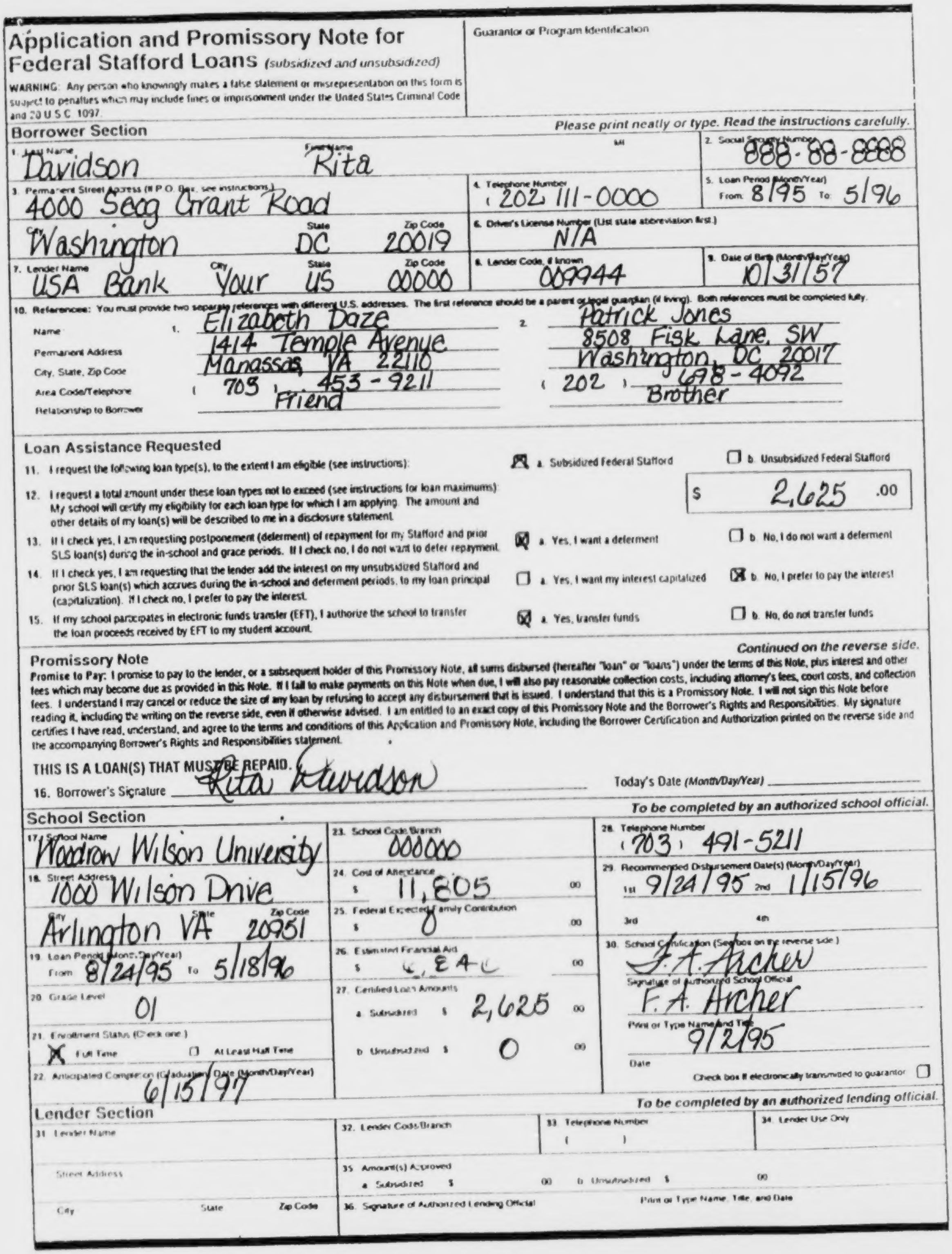
Lender Section

To be completed by an authorized lending official.

31. Lender Name
Street Address
City State Zip Code
32. Lender Code/Branch
33. Telephone Number ( )
34. Lender Use Only
35. Amount(s) Approved
a. Subsidized $ .00 b. Unsubsidized $ .00
36. Signature of Authorized Lending Official
Print or Type Name, Title, and Date

BEST COPY AVAILABLE

SOLUTIONS



Application and Promissory Note for Federal Stafford Loans *(subsidized and unsubsidized)*

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties which may include fines or imprisonment under the United States Criminal Code and 20 U.S.C. 1097.

Guarantor or Program Identification

Please print neatly or type. Read the instructions carefully.

Borrower Section

1. Last Name: Davidson — First Name: Rita — MI:
2. Social Security Number: 888-88-8888
3. Permanent Street Address (If P.O. Box, see instructions): 4000 Seag Grant Road
City: Washington — State: DC — Zip Code: 20019
4. Telephone Number: (202) 111-0000
5. Loan Period (Month/Year): From 8/95 To 5/96
6. Driver's License Number (List state abbreviation first.): N/A
7. Lender Name: USA Bank — City: Your — State: US — Zip Code: 00000
8. Lender Code, if known: 009944
9. Date of Birth (Month/Day/Year): 10/31/57

10. References: You must provide two separate references with different U.S. addresses. The first reference should be a parent or legal guardian (if living). Both references must be completed fully.

	1.	2.
Name	Elizabeth Daze	Patrick Jones
Permanent Address	1414 Temple Avenue	8508 Fisk Lane, SW
City, State, Zip Code	Manassas, VA 22110	Washington, DC 20017
Area Code/Telephone	(703) 453-9211	(202) 698-4092
Relationship to Borrower	Friend	Brother

Loan Assistance Requested

11. I request the following loan type(s), to the extent I am eligible (see instructions): ☒ a. Subsidized Federal Stafford ☐ b. Unsubsidized Federal Stafford

12. I request a total amount under these loan types not to exceed (see instructions for loan maximums). My school will certify my eligibility for each loan type for which I am applying. The amount and other details of my loan(s) will be described to me in a disclosure statement. $ 2,625 .00

13. If I check yes, I am requesting postponement (deferment) of repayment for my Stafford and prior SLS loan(s) during the in-school and grace periods. If I check no, I do not want to defer repayment. ☒ a. Yes, I want a deferment ☐ b. No, I do not want a deferment

14. If I check yes, I am requesting that the lender add the interest on my unsubsidized Stafford and prior SLS loan(s) which accrues during the in-school and deferment periods, to my loan principal (capitalization). If I check no, I prefer to pay the interest. ☐ a. Yes, I want my interest capitalized ☒ b. No, I prefer to pay the interest

15. If my school participates in electronic funds transfer (EFT), I authorize the school to transfer the loan proceeds received by EFT to my student account. ☒ a. Yes, transfer funds ☐ b. No, do not transfer funds

Continued on the reverse side.

Promissory Note

Promise to Pay: I promise to pay to the lender, or a subsequent holder of this Promissory Note, all sums disbursed (hereafter "loan" or "loans") under the terms of this Note, plus interest and other fees which may become due as provided in this Note. If I fail to make payments on this Note when due, I will also pay reasonable collection costs, including attorney's fees, court costs, and collection fees. I understand I may cancel or reduce the size of any loan by refusing to accept any disbursement that is issued. I understand that this is a Promissory Note. I will not sign this Note before reading it, including the writing on the reverse side, even if otherwise advised. I am entitled to an exact copy of this Promissory Note and the Borrower's Rights and Responsibilities. My signature certifies I have read, understand, and agree to the terms and conditions of this Application and Promissory Note, including the Borrower Certification and Authorization printed on the reverse side and the accompanying Borrower's Rights and Responsibilities statement.

THIS IS A LOAN(S) THAT MUST BE REPAID.

16. Borrower's Signature: Rita Davidson — Today's Date *(Month/Day/Year)*:

School Section

To be completed by an authorized school official.

17. School Name: Woodrow Wilson University
18. Street Address: 1000 Wilson Drive
City: Arlington — State: VA — Zip Code: 20951
19. Loan Period (Month/Day/Year): From 8/24/95 To 5/18/96
20. Grade Level: 01
21. Enrollment Status (Check one.): ☒ Full Time ☐ At Least Half Time
22. Anticipated Completion (Graduation) Date (Month/Day/Year): 6/15/97
23. School Code/Branch: 000000
24. Cost of Attendance: $ 11,805 .00
25. Federal Expected Family Contribution: $ 0 .00
26. Estimated Financial Aid: $ 6,240 .00
27. Certified Loan Amounts: a. Subsidized $ 2,625 .00 — b. Unsubsidized $ 0 .00
28. Telephone Number: (703) 491-5211
29. Recommended Disbursement Date(s) (Month/Day/Year): 1st 9/24/95 2nd 1/15/96 3rd 4th
30. School Certification (See box on the reverse side.): F.A. Archer
Signature of Authorized School Official
F. A. Archer
Print or Type Name and Title
9/2/95
Date
Check box if electronically transmitted to guarantor ☐

Lender Section

To be completed by an authorized lending official.

31. Lender Name
Street Address
City — State — Zip Code
32. Lender Code/Branch
33. Telephone Number ( )
34. Lender Use Only
35. Amount(s) Approved: a. Subsidized $ .00 b. Unsubsidized $ .00
36. Signature of Authorized Lending Official — Print or Type Name, Title, and Date

418

1995-96

STUDENT FILE

Ben Thomas

1995-96 EFC FORMULA A: DEPENDENT STUDENT

SIMPLIFIED WORKSHEET
Page 1
A

PARENTS' INCOME IN 1994

1. Parents' Adjusted Gross Income (FAFSA/SAR #66)		
2. a. Father's income earned from work (FAFSA/SAR #68)	______	
2. b. Mother's income earned from work (FAFSA/SAR #69)	+ ______	
Total parents' income earned from work	= 2.	
3. Parents' Taxable Income (If tax filers, enter the amount from line 1 above. If non-tax filers, enter the amount from line 2.) *		
4. Untaxed income and benefits:		
• Social Security benefits (FAFSA/SAR #70)	______	
• AFDC/ADC (FAFSA/SAR #71)	+ ______	
• Child support received (FAFSA/SAR #72)	+ ______	
• Other untaxed income (FAFSA/SAR #73)	+ ______	
Total untaxed income and benefits	= 4.	
5. Taxable and untaxed income (sum of line 3 and line 4)		
6. Exclusions (FAFSA/SAR #74)	-	
7. **TOTAL INCOME** (line 5 minus line 6) If negative, enter zero.	=	

ALLOWANCES AGAINST PARENTS' INCOME

8. 1994 U.S. income tax paid (FAFSA/SAR #67) (tax filers only); if negative, enter zero.		
9. State and other tax allowance (Table A1)	+	
10. Father's Social Security tax (Table A2)	+	
11. Mother's Social Security tax (Table A2)	+	
12. Income protection allowance (Table A3)	+	
13. Employment expense allowance:		
• Two working parents: 35% of the lesser of the earned incomes, or $2,500, whichever is less.		
• One-parent families: 35% of earned income, or $2,500, whichever is less.	+	
14. **TOTAL ALLOWANCES**	=	

AVAILABLE INCOME

Total income (from line 7)		
Total allowances (from line 14)	-	
15. **AVAILABLE INCOME (AI)** May be a negative number.	=	

PARENTS' CONTRIBUTION FROM ASSETS

16. **Cash, savings, & checking (FAFSA/SAR #83)**		
17. Other real estate & investments value ** (FAFSA/SAR #84)	______	
Other real estate & investments debt ** (FAFSA/SAR #85)	- ______	
Net worth of real estate & investments If negative, enter zero.	= 17.	
18. Business value ** (FAFSA/SAR #86)	______	
Business debt ** (FAFSA/SAR #87)	- ______	
Net worth of business If negative, enter zero	= 18. ☐	
19. Farm value ** (FAFSA/SAR #88)	______	
Farm debt ** (FAFSA/SAR #89)	- ______	
Net worth of farm If negative, enter zero. If the family resides on the farm, enter zero.	= 19. ☐	
20. Net worth of business/farm (sum of lines 18 and 19)	20. ☐	
21. Adjusted net worth of business/farm (Calculate, using Table A4.)	+	
22. **Net worth** (sum of lines 16, 17, and 21)	=	
23. Education savings and asset protection allowance (Table A5)	-	
24. **Discretionary net worth** (line 22 minus line 23)	=	
25. **Asset conversion rate**	X	.12
26. **CONTRIBUTION FROM ASSETS** If negative, enter zero.	=	

PARENTS' CONTRIBUTION

Available income (AI) (from line 15)		
Contribution from assets (from line 26)	+	
27. **Adjusted available income (AAI)** May be a negative number.	=	
28. **Total parents' contribution from AAI** (Calculate, using Table A6; if negative, enter zero.)		
29. **Number in college in 1995-96** (FAFSA/SAR #52)	÷	
30. **PARENTS' CONTRIBUTION** (standard contribution for 9-month enrollment)		

* STOP HERE if both of the following are true: line 3 is $12,000 or less, *and* the parents are eligible to file a 1994 IRS Form 1040A or 1040EZ (they are not required to file a 1994 Form 1040, or they are not required to file any income tax return)—the student's EFC is zero.

** Do not include the family's home.

continued on reverse

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SIMPLIFIED WORKSHEET Page 2 **A**

STUDENT'S INCOME IN 1994

31. Adjusted Gross Income (FAFSA/SAR #55)	
32. Income earned from work (FAFSA/SAR #57)	
33. Taxable income (If tax filer, enter the amount from line 31. If non-tax filer, enter the amount from line 32.)	
34. Untaxed income and benefits:	
• Social Security benefits (FAFSA/SAR #59) ______	
• Other untaxed income (FAFSA/SAR #62) + ______	
Total untaxed income and benefits = 34.	
35. Taxable and untaxed income (sum of line 33 and line 34)	
36. Exclusions (FAFSA/SAR #63) -	
37. TOTAL INCOME (line 35 minus line 36) If negative, enter zero. =	

ALLOWANCES AGAINST STUDENT INCOME

38. 1994 U.S. income tax paid (FAFSA/SAR #56) (tax filers only); if negative, enter zero.	
39. State and other tax allowance (Table A7) +	
40. Social Security tax allowance (Table A2) +	
41. Income protection allowance +	1,750
42. TOTAL ALLOWANCES =	

STUDENT CONTRIBUTION FROM INCOME

Total income (from line 37)	
Total allowances (from line 42) -	
43. Available income (AI) If negative, enter zero. =	
44. Assessment of AI X	.50
45. STUDENT CONTRIBUTION FROM AI =	

STUDENT CONTRIBUTION FROM ASSETS

46. Cash, savings, & checking (FAFSA/SAR #75)	
47. Other real estate & investments value * (FAFSA/SAR #76) ______	
Other real estate & investments debt * (FAFSA/SAR #77) - ______	
Net worth of real estate & investments If negative, enter zero. = 47.	
48. Business value * (FAFSA/SAR #78) ______	
Business debt * (FAFSA/SAR #79) - ______	
Net worth of business If negative, enter zero = 48.	
49. Farm value * (FAFSA/SAR #80) ______	
Farm debt * (FAFSA/SAR #81) - ______	
Net worth of farm If negative, enter zero. If the family resides on the farm, enter zero. = 49.	
50. Net worth (sum of lines 46 through 49) =	
51. Assessment rate X	.35
52. CONTRIBUTION FROM ASSETS If negative, enter zero. =	

EXPECTED FAMILY CONTRIBUTION

PARENTS' CONTRIBUTION (from line 30)	
STUDENT CONTRIBUTION FROM AI (from line 45) +	
STUDENT CONTRIBUTION FROM ASSETS (from line 52) +	
53. EXPECTED FAMILY CONTRIBUTION =	

* Do not include the student's home.

SOLUTIONS

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SIMPLIFIED WORKSHEET
Page 2

A

STUDENT'S INCOME IN 1994

31. Adjusted Gross Income (FAFSA/SAR #55)	0
32. Income earned from work (FAFSA/SAR #57)	0
33. Taxable Income (If tax filer, enter the amount from line 31. If non-tax filer, enter the amount from line 32.)	0
34. Untaxed income and benefits:	
• Social Security benefits (FAFSA/SAR #59) 0	
• Other untaxed income (FAFSA/SAR #62) + 0	
Total untaxed income and benefits = 34.	0
35. Taxable and untaxed income (sum of line 33 and line 34)	0
36. Exclusions (FAFSA/SAR #63) -	0
37. TOTAL INCOME (line 35 minus line 36) If negative, enter zero. =	0

ALLOWANCES AGAINST STUDENT INCOME

38. 1994 U.S. income tax paid (FAFSA/SAR #56) (tax filers only); if negative, enter zero.	0
39. State and other tax allowance (Table A7) +	0
40. Social Security tax allowance (Table A2) +	0
41. Income protection allowance +	1,750
42. TOTAL ALLOWANCES =	1,750

STUDENT CONTRIBUTION FROM INCOME

Total income (from line 37)	0
Total allowances (from line 42) -	1,750
43. Available Income (AI) If negative, enter zero. =	0
44. Assessment of AI X	.50
45. STUDENT CONTRIBUTION FROM AI =	0

STUDENT CONTRIBUTION FROM ASSETS

EXPECTED FAMILY CONTRIBUTION

PARENTS' CONTRIBUTION (from line 30)	0
STUDENT CONTRIBUTION FROM AI (from line 45) +	0
53. EXPECTED FAMILY CONTRIBUTION =	0

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LAB
D

Performing Verification and Updating and Corrections (Ben)

Lab Time: 30 minutes

OBJECTIVE

You will complete the verification process for an individual student.

OVERVIEW

In this lab exercise, which accompanies Session 16, you will perform verification on the Student Aid Report (SAR) for Ben.

The verification working paper used in Session 16 will be used as our worksheet for the verification process. This form is an example of a worksheet that you might develop at your school.

The correct responses are provided in the Solutions Section at the end of the lab exercise.

PREPARATIONS

You will be using Ben's SAR and completed Verification Worksheet provided in the lab materials. You will also need Ben's parents' tax return, which is in the lab materials, in Ben's file, or in the documents provided in Lab B. The blank verification working paper will be your worksheet.

INSTRUCTIONS

Ben has decided to attend your school for the 1995-96 award year. Ben would like to know his award package. But, before your school will allow you to package his awards, Ben must complete verification.

Step 1: Compare Ben's SAR to the appropriate tax form and his completed Verification Worksheet. Use the blank verification working paper to complete this process.

Step 2: Make any necessary changes to Part II of the SAR.

Step 3: Determine if the SAR needs to be reprocessed or if the errors are within the tolerances. If the SAR must be reprocessed, you may send the corrections or updates electronically, as your school has begun participating under the Electronic Data Exchange (EDE).

Step 4: Check your updates and corrections against the correct responses in the Solutions Section at the end of the lab exercise.

Step 5: Remove the verification working paper, SAR, and all other documents for Ben and place them in his file.

VERIFICATION WORKING PAPER

Name: Ben Thomas SS#: 111-11-1111 Dependency Status: ____________

Tax return signed? Yes_____ No_____ Returned_______ Verification Worksheet Signed? Yes_____ No_____ Returned_____

Item Reported	Amount Reported	Amount Verified
Household Size		
Number in College		
Parent Adjusted Gross Income		
Parent Income Tax Paid		
Student/Spouse Adjusted Gross Income		
Student/Spouse Income Tax Paid		
Student Earnings		
Spouse Earnings		
Mother Earnings		
Father Earnings		
(AFDC or ADC)		
Social Security Benefits		
Child Support		
Exclusions		
Other Untaxed Income*		

*** Itemization of other untaxed income:**

Earned Income Credit		____________
Foreign Income Exclusion	+	____________
IRA and KEOGH Income	+	____________
Other Untaxed Income (Source:________)	+	____________
TOTAL:	=	____________

Net Difference $________
(Reported Difference Minus Verified Difference)

$400 Tolerance Used: None_____

Verification Status Code: N A W T C R S Recalculated EFC _____

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Verification Performed By:______________________ Date:________________

DEPARTMENT OF EDUCATION
UNITED STATES OF AMERICA

1995-96 Student Aid Report
Federal Student Aid Programs
Part 1 - Information Summary

OMB No. 1840-0132
Form Approved
Exp. 12-31-96

TH-01 PIN: 3829

IMPORTANT: Read **ALL** information in Part 1 to find out what to do with this Report.

S000,040T00000036

March 08, 1995
EPC: 00000*C

Page 1 of 5

BEN THOMAS
8555 OCEAN STREET
BURLINGTON, VT 05452

Read this letter carefully and review each item on Part 2 of this Student Aid Report (SAR). Follow the instructions at the top of Part 2 and in the Free Application for Federal Student Aid (FAFSA) instruction booklet to help you make corrections. For additional help with your SAR, contact your Financial Aid Administrator (FAA).

If all the information on this SAR is correct, you may be eligible to receive a Federal Pell Grant and other Federal student aid in 1995-96. Your FAA will determine whether you meet all eligibility requirements to receive aid. The amount of aid will depend on the cost of attendance at your school, your enrollment status (full-time, three-quarter-time, half-time, or less than half-time), Congressional budget restrictions, and other factors.

HERE IS WHAT YOU NEED TO DO NOW: Review the information on Part 2. If any of the information is incorrect, make corrections by following the instructions at the top of Part 2. IF ALL THE INFORMATION IS CORRECT, review the Student's Use Box on the back of the first page of Part 1. Provide the information required and sign your name. Then submit ALL 3 PARTS of your SAR to your FAA.

Be sure to review the items in boldface type on Part 2 of your SAR and make any corrections if necessary.

Your application has been selected for review in a process called verification. Complete the enclosed verification worksheet and submit it to your FAA. You must also submit signed copies of certain 1994 financial documents for you and your parents. Contact your FAA to find out which documents are required.

ATTENTION: We were unable to find any schools you listed on our school file, or you did not list any schools on your application, or did not verify any schools on your renewal application. To receive Federal student aid, you must attend a school that participates in the Federal student aid programs. Check with each school you are considering in 1995-96 to find out if it participates in these programs. Contact your FAA for assistance to make the necessary corrections to your SAR.

According to the Social Security Administration's records, the name you reported on your application does not correspond with the social security number in Item 8. You must review Items 1, 2, 3, and 8 and make corrections on your SAR where appropriate. If these items are correct, you should contact your local Social Security Administration office to resolve the problem.

(letter continued on next page)

D5EDY000040 00877800003

TH 01

Information Review Form (Part 2 of your SAR) to correct this information. **Do not make corrections on this page.**

1. LAST NAME	THOMAS
2. FIRST NAME	BEN
3. MIDDLE INITIAL	
4. PERMANENT STREET ADDRESS	1050 PELL AVENUE
5. CITY	CHEVERLY
6. STATE ABBREVIATION	MD
7. ZIP CODE	20785
8. SOCIAL SECURITY NUMBER	
9. DATE OF BIRTH	SEPTEMBER 25, 1973
10. PERMANENT HOME PHONE NUMBER	(301) 111-0000
11. STATE OF LEGAL RESIDENCE	VT
12. DATE YOU BECAME A LEGAL RESIDENT	NOVEMBER 04, 1991
13. DRIVER'S LICENSE STATE ABBREVIATION	
14. DRIVER'S LICENSE NUMBER	NONE
15. CITIZENSHIP STATUS	U.S. CITIZEN
16. ALIEN REGISTRATION NUMBER	
17. MARITAL STATUS	UNMARRIED
18. DATE OF MARITAL STATUS	(BLANK)
19. FIRST BACHELOR'S DEGREE BY 7-1-95?	NO
20. HIGH SCHOOL GRADUATION DATE	JUNE 1995
21. GED DIPLOMA DATE	(BLANK)
22. FATHER'S EDUCATIONAL LEVEL	HIGH SCHOOL
23. MOTHER'S EDUCATIONAL LEVEL	HIGH SCHOOL
24. ENROLLMENT STATUS SUMMER TERM 1995	NOT ENROLLED
25. ENROLLMENT STATUS FALL SEM/QTR 1995	FULL TIME
26. ENROLLMENT STATUS WINTER QTR 1995-96	NOT ENROLLED
27. ENROLLMENT STATUS SPRING SEM/QTR 1996	FULL TIME
28. ENROLLMENT STATUS SUMMER TERM 1996	NOT ENROLLED
29. COURSE OF STUDY	BUSINESS
30. TYPE OF DEGREE/CERTIFICATE	ASSOCIATE
31. DATE EXPECT TO RECEIVE DEGREE	JUNE 01, 1997
32. GRADE LEVEL IN COLLEGE IN 1995-96	1ST NEVER ATTENDED
33. INTERESTED IN EMPLOYMENT?	YES
34. INTERESTED IN STUDENT LOANS?	YES
35. INTERESTED IN PARENT LOANS?	NO
36. ATTENDING SAME COLLEGE IN 1995-96?	YES
37. WILL PAY DEPENDENT CARE FOR HOW MANY?	00
38. MONTHLY VA BENEFITS AMOUNT	$ 0
39. HOW MANY MONTHS RECEIVE VA BENEFITS?	00
40. BORN BEFORE 1-1-72?	NO
41. VETERAN OF U.S. ARMED FORCES?	NO
42. ENROLLED IN GRADUATE PROGRAM 1995-96?	NO
43. ARE YOU MARRIED?	NO
44. ORPHAN OR WARD OF COURT?	NO
45. HAVE DEPENDENTS OTHER THAN SPOUSE?	NO
46. NUMBER OF FAMILY MEMBERS IN 1995-96	DO NOT CORRECT
47. NUMBER IN COLLEGE IN 1995-96	DO NOT CORRECT
48. MARITAL STATUS	MARRIED
49. STATE OF LEGAL RESIDENCE	VT
50. DATE PARENT(S) BECAME LEGAL RESIDENTS	NOVEMBER 04, 1991
51. NUMBER OF FAMILY MEMBERS IN 1995-96	06
52. NUMBER IN COLLEGE IN 1995-96	2

53. TYPE OF 1994 TAX FORM USED	NOT FILED
54. EXEMPTIONS CLAIMED	
55. ADJUSTED GROSS INCOME FROM IRS FORM	$
56. U.S. INCOME TAX PAID	$
57. STUDENT'S INCOME EARNED FROM WORK	$ 0
58. SPOUSE'S INCOME EARNED FROM WORK	$ 0
59. ANNUAL SOCIAL SECURITY BENEFITS	$ 0
60. ANNUAL AFDC/ADC	$ 0
61. ANNUAL CHILD SUPPORT RECEIVED	$ 0
62. OTHER UNTAXED INCOME	$ 0
63. 1994 EXCLUSIONS, WORKSHEET #3	$ 0
64. TYPE OF 1994 TAX FORM USED	COMPLETED 1040A/EZ
65. EXEMPTIONS CLAIMED	06
66. ADJUSTED GROSS INCOME FROM IRS FORM	$ 22,261
67. U.S. INCOME TAX PAID	$ 365
68. FATHER'S INCOME EARNED FROM WORK	$ 6,566
69. MOTHER'S INCOME EARNED FROM WORK	$ 11,791
70. ANNUAL SOCIAL SECURITY BENEFITS	$ 0
71. ANNUAL AFDC/ADC	$ 0
72. ANNUAL CHILD SUPPORT RECEIVED	$ 0
73. OTHER UNTAXED INCOME	$ 12
74. 1994 EXCLUSIONS, WORKSHEET #3	$ 0
75. CASH, SAVINGS, AND CHECKING	$ 0
76. OTHER REAL ESTATE/INVESTMENT VALUE	$ 0
77. OTHER REAL ESTATE/INVESTMENT DEBT	$ 0
78. BUSINESS VALUE	$ 0
79. BUSINESS DEBT	$ 0
80. FARM VALUE	$ 0
81. FARM DEBT	$ 0
82. AGE OF OLDER PARENT	50
83. CASH, SAVINGS, AND CHECKING	$ 1,575
84. OTHER REAL ESTATE/INVESTMENT VALUE	$ 0
85. OTHER REAL ESTATE/INVESTMENT DEBT	$ 0
86. BUSINESS VALUE	$ 0
87. BUSINESS DEBT	$ 0
88. FARM VALUE	$ 0
89. FARM DEBT	$ 0
90. FIRST COLLEGE NAME	
91. FIRST HOUSING STATUS	(BLANK)
92. SECOND COLLEGE NAME	
93. SECOND HOUSING STATUS	(BLANK)
94. THIRD COLLEGE NAME	
95. THIRD HOUSING STATUS	(BLANK)
96. FOURTH COLLEGE NAME	
97. FOURTH HOUSING STATUS	(BLANK)
98. FIFTH COLLEGE NAME	
99. FIFTH HOUSING STATUS	(BLANK)
100. SIXTH COLLEGE NAME	
101. SIXTH HOUSING STATUS	(BLANK)
102. SHOULD DATA BE RELEASED TO STATE?	NO
103. REGISTER YOU FOR SELECTIVE SERVICE?	(BLANK)
104. SIGNED BY?	BOTH
105. DATE COMPLETED	FEBRUARY 03, 1995
106. PREPARER'S EIN	(BLANK)
107. PREPARER'S SOCIAL SECURITY NUMBER	(BLANK)
108. PREPARER'S SIGNATURE	(BLANK)

Student's Use Box EFC: 00000•C SEC.EFC: 00000•C TH 01

CERTIFICATION STATEMENT ON REFUNDS AND DEFAULT

I certify that I do not owe a refund on any grant or loan, am not in default on any loan or have made satisfactory arrangements to repay any defaulted loan, and have not borrowed in excess of the loan limits, under Title IV programs, at any institution.

STATEMENT OF EDUCATIONAL PURPOSE

I will use all Title IV money received only for expenses related to my study at

____
(Name of Institution)

STATEMENT OF REGISTRATION STATUS

____ I certify that I am registered with Selective Service

____ I certify that I am not required to be registered with Selective Service because

- ____ I am a female
- ____ I am in the armed services on active duty (Note: Does not apply to members of the Reserves and National Guard who are not on active duty)
- ____ I have not reached my 18th birthday
- ____ I was born before 1960
- ____ I am a resident of the Federated States of Micronesia, or the Marshall Islands, or a permanent resident of the Trust Territory of the Pacific Islands (Palau)

________________________ (Student's Signature) __________ (Date)

WARNING: To receive any Title IV financial aid, you must complete the Statement of Educational Purpose and Certification Statement on Refunds and Default, and you must be registered with Selective Service, if you are required to register. If you purposely give false or misleading information, you may be subject to a fine of up to $10,000, imprisonment for up to 5 years, or both.

BEST COPY AVAILABLE

1995-96 Student Aid Report
Federal Student Aid Programs
Part 1 - Information Summary

OMB No. 1840-0132
Form Approved
Exp. 12-31-96

TH-01 PIN: 3829

IMPORTANT: Read **ALL** information in Part 1 to find out what to do with this Report.

(letter continued)

You did not authorize us to release financial information to your State agency. While this does not affect your eligibility for Federal student aid, the State agency may need this information to consider you for other aid. If you want to release your complete financial information to your State agency, check the "Yes" box for Item 102 on Part 2 of your SAR.

FAA INFORMATION

Agency Source: 4	Model: D	FAA Adjustment Flag:
MDE Record Type:	Duplicate Copy:	FAA Recalculation Flag:
Record Type:	SysGen:	Reject Reasons:
Verification Type: 34	Dependency Override:	Electronic Transaction:
Verification Flag: 34	Special Handling: •	Application Receipt Date: 03/06/95

MONTHS:	1	2	3	4	5	6	7	8	9	10	11	12
PRIMARY EFC:	00000	00000	00000	00000	00000	00000	00000	00000	00000	00000	00000	00000
SECONDARY EFC:	00000	00000	00000	00000	00000	00000	00000	00000	00000	00000	00000	00000

INTERMEDIATE COMPUTE VALUES:

TI:	0022274	ATI:	0027745	STX:	0001559	IPA:	0021760	EA:	0002500
AI:	-0005471	DNM:		APA:		PCA:		AAI:	
TPC:	0000000	TSC:		APC:	0000000	SIC:	0000000	SCA:	

Auto Zero EFC Flag: Special Condition Flag: SNT Flag: Y

MATCH FLAGS:

SSN Match Flag: 3	NSLDS Match Flag: 1	Selective Service Registration Flag:
Selective Service Match: N	INS Match Flag:	INS Verification #:

COMMENTS: 104 148

D5EDY000040 00877800003

430

TH 01

BEN THOMAS

Part 1 - Information Summary
NSLDS INFORMATION

Federal Loan Programs	Net Loan Amount	Grade Level	Begin Date	End Date	Gross Disbursement

D5EDY000040 00877800003

TH 01

431

1995-96 Student Aid Report
Federal Student Aid Programs
Part 2 - Information Review Form

OMB No. 1840-0132
Form Approved
Exp. 12-31-96

Processed: 03-08-95
EFC: 00000*C

- Pay special attention to any items in **BOLDFACE TYPE;** they may need to be corrected.
- To correct an item, print the correct answer in the "The correct answer is" column.
- To delete an answer in the "You Told Us" column, draw a line through it.
- Use the code information on the last page of Part 2 if you need to correct items 24-28 and/or 32.
- If you make corrections, send **BOTH pages of Part 2** to the address on the last page of Part 2. **Do not attach tax or any other forms.**

TH-01 PIN: 3829

We asked for	You told us	The correct answer is
A. You (the student)		
1. Last Name	THOMAS	1
2. First Name	BEN	2
3. Middle Initial		3
4. Permanent Street Address		4
5. City		5
6. State Abbreviation		6
7. ZIP Code		7
8. Social Security Number		8
9. Date of Birth	SEPTEMBER 25, 1973	9 ☐☐-☐☐-☐☐ MM-DD-YY
10. Permanent Home Phone Number	111-0000	10 ☐☐☐-☐☐☐-☐☐☐☐
11. State of Legal Residence	VT	11
12. Date You Became a Legal Resident	NOVEMBER 04, 1991	12 ☐☐-☐☐-☐☐ MM-DD-YY
13. Driver's License State Abbreviation		13
14. Driver's License Number	NONE	14
15. Citizenship Status	U.S. CITIZEN	15
16. Alien Registration Number		16 A
17. Marital Status	UNMARRIED	17
18. Date of Marital Status	(BLANK)	18 ☐☐-☐☐ MM-YY
19. First Bachelor's Degree by 7-1-95?	NO	19 ☐ Yes ☐ No
B. Education Background		
20. High School Graduation Date	JUNE 1995	20 ☐☐-☐☐ MM-YY
21. GED Diploma Date	(BLANK)	21 ☐☐-☐☐ MM-YY
22. Father's Educational Level	HIGH SCHOOL	22
23. Mother's Educational Level	HIGH SCHOOL	23
C. Your Plans		
24. Enrollment Status Summer Term 1995	NOT ENROLLED	24 ☐ <--Enter Code
25. Enrollment Status Fall Sem/Qtr 1995	FULL TIME	25 ☐ <--Enter Code
26. Enrollment Status Winter Qtr 1995-96	NOT ENROLLED	26 ☐ <--Enter Code
27. Enrollment Status Spring Sem/Qtr 1996	FULL TIME	27 ☐ <--Enter Code
28. Enrollment Status Summer Term 1996	NOT ENROLLED	28 ☐ <--Enter Code
29. Course of Study	BUSINESS	29 DO NOT CORRECT
30. Type of Degree/Certificate	ASSOCIATE	30 DO NOT CORRECT
31. Date Expect to Receive Degree	JUNE 01, 1997	31 ☐☐-☐☐-☐☐ MM-DD-Y
32. Grade Level in College in 1995-96	1ST NEVER ATTENDED	32 ☐ <--Enter Code
33. Interested in Employment?	YES	33 ☐ Yes ☐ No
34. Interested in Student Loans?	YES	34 ☐ Yes ☐ No
35. Interested in Parent Loans?	NO	35 ☐ Yes ☐ No
36. Attending Same College in 1995-96?	YES	36 ☐ Yes ☐ No
37. Will Pay Dependent Care For How Many?	00	37 ☐☐
38. Monthly VA Benefits Amount	$ 0	38 $
39. How Many Months Receive VA Benefits?	00	39 ☐☐

D5EDY000040 00877800003

H 01

432

We asked for	You told us	The correct answer is

D. Student Status

40. Born Before 1-1-72?	NO	40	☐ Yes ☐ No
41. Veteran of U.S. Armed Forces?	NO	41	☐ Yes ☐ No
42. Enrolled in Graduate Program 1995-96?	NO	42	☐ Yes ☐ No
43. Are You Married?	NO	43	☐ Yes ☐ No
44. Orphan or Ward of Court?	NO	44	☐ Yes ☐ No
45. Have Dependents Other Than Spouse?	NO	45	☐ Yes ☐ No

E. Household Information
Student (and Spouse)

46. Number of Family Members in 1995-96	DO NOT CORRECT	46	
47. Number in College in 1995-96	DO NOT CORRECT	47	

Parents

48. Marital Status	MARRIED	48	
49. State of Legal Residence	VT	49	
50. Date Parent(s) Became Legal Residents	NOVEMBER 04, 1991	50	- - MM-DD-YY
51. Number of Family Members in 1995-96	06	51	
52. Number in College in 1995-96	2	52	

F. 1994 Income, Earnings, and Benefits
Student (and Spouse)

Codes for Type of 1994 Tax Form Used (items 53 and 64):
1 - Completed 1994 IRS 1040A or 1040EZ
2 - Completed 1994 IRS 1040
3 - Estimated 1994 IRS 1040A or 1040EZ
4 - Estimated 1994 IRS 1040
5 - Will Not File a 1994 U.S. Income Tax Return

53. Type of 1994 Tax Form Used	NOT FILED	53	<--Enter Code From Above
54. Exemptions Claimed		54	
55. Adjusted Gross Income From IRS Form	$	55	$ .0
56. U.S. Income Tax Paid	$	56	$ .0
57. Student's Income Earned From Work	$ 0	57	$ .0
58. Spouse's Income Earned From Work	$ 0	58	$ .0
59. Annual Social Security Benefits	$ 0	59	$ .0
60. Annual AFDC/ADC	$ 0	60	$ .0
61. Annual Child Support Received	$ 0	61	$ .0
62. Other Untaxed Income	$ 0	62	$ .0
63. 1994 Exclusions, Worksheet #3	$ 0	63	$ .0

Parents

64. Type of 1994 Tax Form Used	COMPLETED 1040A/EZ	64	<--Enter Code From Above
65. Exemptions Claimed	06	65	
66. Adjusted Gross Income From IRS Form	$ 22,261	66	$ .0
67. U.S. Income Tax Paid	$ 369	67	$ .0
68. Father's Income Earned From Work	$ 8,566	68	$ .0
69. Mother's Income Earned From Work	$ 11,791	69	$ .0
70. Annual Social Security Benefits	$ 0	70	$ .0
71. Annual AFDC/ADC	$ 0	71	$ .0
72. Annual Child Support Received	$ 0	72	$ .0
73. Other Untaxed Income	$ 13	73	$ .0
74. 1994 Exclusions, Worksheet #3	$ 0	74	$ .0

Part 2 (your Information Review Form) is continued on the following page. Please refer to the instructions on the front of Part 2 when reviewing the rest of your information. If you make corrections, send BOTH pages of Part 2 to the address next to the Certification statement at the end of Part 2.

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TH 01

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1995-96 Student Aid Report
Federal Student Aid Programs
Part 2 - Information Review Form

OMB No. 1840-0132
Form Approved
Exp. 12-31-96

Processed: 03-08-95
EFC: 00000*C

CONTINUED

Continue reviewing this form as instructed on the previous page.
Be sure to read the information on the back of this page.

TH-01 PIN: 3829

G. Asset Information

Student (and Spouse) BEN THOMAS

We asked for	You told us		The correct answer is
75. Cash, Savings, and Checking	$ 0	75	$ .0C
76. Other Real Estate/Investment Value	$ 0	76	$ .0C
77. Other Real Estate/Investment Debt	$ 0	77	$ .0C
78. Business Value	$ 0	78	$ .0C
79. Business Debt	$ 0	79	$ .0C
80. Farm Value	$ 0	80	$ .0C
81. Farm Debt	$ 0	81	$ .0C

Parents

82. Age of Older Parent	50	82	☐☐
83. Cash, Savings, and Checking	$ 1,575	83	$ .0C
84. Other Real Estate/Investment Value	$ 0	84	$ .0C
85. Other Real Estate/Investment Debt	$ 0	85	$ .0C
86. Business Value	$ 0	86	$ .0C
87. Business Debt	$ 0	87	$ .0C
88. Farm Value	$ 0	88	$ .0C
89. Farm Debt	$ 0	89	$ .0C

Housing Status Codes (Items 91, 93, 95, 97, 99, and 101):
1 - On-Campus 3 - With Parent(s)
2 - Off-Campus 4 - With Relative(s) other than Parent(s)

H. Releases and Signatures

90. First College Name		90	
College City and State			
91. First Housing Status	(BLANK)	91	☐ <--Enter Code From Above
92. Second College Name		92	
College City and State			
93. Second Housing Status	(BLANK)	93	☐ <--Enter Code From Above
94. Third College Name		94	
College City and State			
95. Third Housing Status	(BLANK)	95	☐ <--Enter Code From Above
96. Fourth College Name		96	
College City and State			
97. Fourth Housing Status	(BLANK)	97	☐ <--Enter Code From Above
98. Fifth College Name		98	
College City and State			
99. Fifth Housing Status	(BLANK)	99	☐ <--Enter Code From Above
100. Sixth College Name		100	
College City and State			
101. Sixth Housing Status	(BLANK)	101	☐ <--Enter Code From Above
102. SHOULD DATA BE RELEASED TO STATE?	NO	102	☐ Yes ☐ No
103. Register You For Selective Service?	(BLANK)	103	☐ Yes
104. Signed By?	BOTH	104	DO NOT CORRECT
105. Date Completed	FEBRUARY 03, 1995	105	DO NOT CORRECT
106. Preparer's EIN	(BLANK)	106	☐☐-☐☐☐☐☐☐☐
107. Preparer's Social Security Number	(BLANK)	107	☐☐☐-☐☐-☐☐☐☐
108. Preparer's Signature	(BLANK)	108	

APPLICATION RECEIPT DATE: 03/06/95

D5EDY000040 00877800003

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TH 01

IF YOU MADE NO CHANGES

- complete the STUDENT'S USE BOX on Part 1 of your SAR
- submit ALL parts of your SAR to the school you plan to attend. Do NOT send your SAR to either address given on this page.

IF YOU NEED ANOTHER COPY OF YOUR SAR

- write to:
  Federal Student Aid Programs
  P.O. Box 4038
  Iowa City, IA 52243
- include your name, social security number and signature.

IF YOU MADE CHANGES

- read and sign the Certification statement to the right
- send BOTH pages of Part 2 to:
  Federal Student Aid Programs
  P.O. Box 4037
  Iowa City, IA 52243

CERTIFICATION

All of the information on this SAR is true and complete to the best of my knowledge. If I am asked, I agree to give proof that my information is correct. This proof might include a copy of the 1994 U.S. Income Tax Form filed by me or my family. I understand that if I purposely give false or misleading information on this SAR, I may be subject to a $10,000 fine, a prison sentence, or both.

Everyone whose information is given on this form should sign below. The student (and at least one parent, if parental information is given), must sign below or this form will be returned unprocessed.

[1] STUDENT ______________________ Date __________

[2] STUDENT'S SPOUSE ______________________ Date __________

[3] FATHER/STEPFATHER ______________________ Date __________

[4] MOTHER/STEPMOTHER ______________________ Date __________

HELPFUL HINTS:

Read all the comments on Part 1 of your SAR. They will help you correct any information we had questions about when we processed your financial aid application. Review ALL the items on Part 2 of your SAR to make sure that the information is correct. Follow the instructions at the top of Part 2 and that appear in the comments on Part 1 of your SAR.

If you don't know how to answer a question, want further assistance correcting your SAR, or do not understand what to do, refer to an application instruction booklet. Otherwise, contact the financial aid office at the school you plan to attend.

If you need to make corrections or respond to boldface items, contact your financial aid office to determine if your school can submit these corrections electronically. Electronic processing is faster.

Do not send any documentation (including tax forms) to the address next to the certification. This documentation will be discarded. If your financial aid administrator (FAA) requests documentation, send it with your SAR to the financial aid office.

1994 Other Untaxed Income and Benefits (questions 62 and 73): you should include any untaxed income and benefits not reported elsewhere on the application. Some examples are Earned Income Credit, deductible IRA and/or Keogh payments, and tax-deferred pension and savings plans. (See application instruction booklet Worksheet #2, page 11.)

1994 Exclusions from Worksheet #3 (questions 63 and 74): you should include portions of grants and scholarships reported on your tax return; earnings from Federal Work-Study or need-based work programs; National and Community Service Act living allowances; and child support PAID. (See application instruction booklet, Worksheet #3, page 12.)

CODES FOR QUESTIONS 24-28. ENROLLMENT STATUS
1 - Full time
2 - 3/4 time
3 - 1/2 time
4 - Less than 1/2 time
5 - Not enrolled

CODES FOR QUESTION 32. GRADE LEVEL IN COLLEGE IN 1995-96
01 - 1st year/never attended college
02 - 1st year/attended college before
03 - 2nd year/sophomore
04 - 3rd year/junior
05 - 4th year/senior
06 - 5th year/other undergraduate
07 - 1st year graduate/professional
08 - 2nd year graduate/professional
09 - 3rd year graduate/professional
10 - Beyond 3rd year graduate/professional

FOR YOUR INFORMATION:

The time required to complete this information collection is estimated to vary from 30 to 45 minutes per response, with an average of 45 minutes, including the time to review instructions, search existing data resources, gather and maintain the data needed, and complete and review the information collection. If you have any comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: U.S. Department of Education, Washington, DC 20202-4651. If you have any comments or concerns regarding the status of your individual submission of this form, write directly to: SAR Comments, U.S. Department of Education, Room # 4651 ROB-3, 600 Independence Avenue, S.W., Washington, DC 20202.

WARNING: As more fully set forth in Section 5301 of the Anti-Drug Abuse Act of 1988, if you are convicted of drug distribution or possession, your eligibility for Title IV student financial aid is subject to suspension or termination.

If you have special circumstances (such as natural disaster, partial or complete loss of employment, death in the family, or loss of untaxed income) that might affect the amount you/your family are expected to contribute toward your education, see your FAA.

If you are borrowing under the FFEL or the William D. Ford Federal Direct Loan Program, contact your financial aid administrator to find out about limits on the amount you may borrow each academic year.

School Use Only EFC: 00000*C SEC.EFC: 00000*C TH 01

FAA Recalculated EFC ☐☐☐☐ | FAA EFC Adjustment ☐☐☐☐ Adjusted EFC Calculation Requested ☐ | D/O 1☐ 2☐

Title IV Institution No. ☐☐☐☐☐☐ FAA Signature' ______________________

1995 - 96 Student Aid Report

Part 3 - Federal Pell Grant Payment Voucher

FFFFF

- FOR SCHOOL USE ONLY -

Do not staple, tear, or paper clip this form

FORM APPROVED
OMB NO. 1840-0132
Expiration Date 12-31-96

BEN THOMAS
8555 OCEAN STREET
BURLINGTON, VT 05452

SSN
DOB 09-25-73
EFC 0000•C

TRANSACTION 01 PIN 3829
PROCESSED 03-08-95
SERIAL D5EDY000040

COMMENTS REGARDING PAYMENT DATA:

FOR SCHOOL USE ONLY - SCHOOL CERTIFICATION

I certify that payments to this student are correct according to the Federal Pell Grant Program regulations and statutes, instructions in the Federal Student Financial Aid Handbook, and the 1995-96 Payment Schedule.

I further certify that the student is making satisfactory academic progress in an eligible program, has signed a Statement of Educational Purpose, a Certification Statement on Refunds and Default, a Statement of Registration Status (if required), and has provided any documents for verification (if required).

I believe that the data supplied by the student, from which the Student Aid Report was produced, are accurate. I understand that my school is liable for incorrect payments made to the student, and that if I knowingly make false or misleading statements on this report, I am subject to a fine of up to $10,000, imprisonment for up to 5 years, or both, under provisions of the United States Criminal Code (including 18 U.S.C. 1001).

SIGNED BY____________________ DATE ____________

SCHOOL NAME____________________________

CITY____________________ STATE ____________

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Part 3-Payment Voucher (to be completed by the school)

1 PELL INSTITUTION ID OF CAMPUS ATTENDED

☐ Yes

2 ACADEMIC CALENDAR

☐ 1 Credit hour (nonstandard term)
☐ 2 Quarter
☐ 3 Semester
☐ 4 Trimester
☐ 5 Clock hour
☐ 6 Credit hour without terms

3 COST OF ATTENDANCE (Dollars Only)

A. Standard OR B. Individual

☐ A
☐ B
☐ C
☐ D
☐ E
☐ F
☐ G
☐ H
☐ I
☐ J

4 VERIFICATION STATUS

☐ **N** Not selected
☐ **A** Accurate
☐ **W** Without documentation
☐ **T** Tolerance
☐ **C** Calculated
☐ **R** Reprocessed
☐ **S** Selected, not verified

5 TERM PROGRAMS ONLY | **CLOCK HOUR PROGRAMS, OR CREDIT HOUR PROGRAMS WITHOUT TERMS** | **TERM AND NONTERM PROGRAMS NOT USING FORMULA 1** | **ALL PROGRAMS**

A. Enrollment Status

☐ 1 Full-time
☐ 2 Half-time
☐ 3 Three-quarter time
☐ 4 Other
☐ 5 Less than half-time

B. Hours/Credits expected to complete - Paid from this award year

C. Hours/Credits in program's academic year definition

D. Weeks enrolled in this award year

E. Weeks in program's academic year

F. PAYMENT METHODOLOGY

☐ 1 Formula 1
☐ 2 Formula 2
☐ 3 Formula 3
☐ 4 Formula 4
☐ 5 Formula 5
☐ 6 Other

6 AMOUNT PAID TO DATE

7 REMAINING AMOUNT TO BE PAID

☐ **M** More Than a Full Academic Year

8 MONTHS IN WHICH REMAINING PAYMENTS WILL BE MADE

Number

☐ Jul
☐ Aug
☐ Sep
☐ Oct
☐ Nov
☐ Dec
☐ Jan
☐ Feb
☐ Mar
☐ Apr
☐ May
☐ Jun

9 DATE ENROLLED THIS AWARD YEAR

☐ Jul
☐ Aug
☐ Sep
☐ Oct
☐ Nov
☐ Dec
☐ Jan
☐ Feb
☐ Mar
☐ Apr
☐ May
☐ Jun

☐ 1995
☐ 1996

10 SECONDARY EFC USED

0000

☐ 6 Secondary
☐ 1 Original

11 INCARCERATED

☐ **Y** Yes ☐ **N** No

If Yes, state where the student's correctional facility is located

TH 01 0000*C

BEN THOMAS
8555 OCEAN STREET
BURLINGTON, VT 05452

MAKE NO MARKS IN THIS BOX

TH200801000009

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U.S. Department of Education

1995-96 Verification Worksheet

Federal Student Aid Programs

FORM APPROVED
OMB NO 1840-0132
EXP DATE 12/31/96

DEPENDENT STUDENT

Your application was selected for review in a process called "Verification." In this process, your school will be comparing information from your application with signed copies of your (and your parents') 1994 tax forms, or with W-2 forms or other financial documents. The law says we have the right to ask you for this information before awarding Federal aid. If there are differences between your application information and your financial documents, you may need to send in corrections on your Student Aid Report (SAR) and have a new SAR processed.

Try to complete verification as soon as possible, so that your financial aid won't be delayed. Your financial aid administrator will help you.

What you should do

1. Collect your and your parents' financial documents (signed income tax forms, W-2 forms, etc.).
2. Talk to your financial aid administrator if you have questions about completing this worksheet.
3. Fill in and sign the worksheet—you and your parents.
4. Take the completed worksheet, tax forms, and any other documents your school needs to your financial aid administrator.
5. Your financial aid administrator will compare information on the documents. You may need to make corrections on your SAR and send it back to the application processor.

Your school must review the requested information, under the financial aid program rules (CFR Title 34, Part 668).

A. Student Information

Last name: Thomas First name: Ben M.I.:
Social security number: 111-11-1111
Address (include apt. no.): 8555 Ocean Street
Date of birth: 9-25-73
City: Burlington, State: VT ZIP code: 05452
Phone number (include area code): (301) 111-0000

B. Family Information

List the people that your parents will support between July 1, 1995 and June 30, 1996. Include:

- yourself
- your parents
- your parents' dependent children (if your parents provide more than half support, or if they would be required to give parental information when applying for Federal student aid.)

Include other people as part of your family only if:

- they lived with your parents and got more than half their support from your parents at the time you completed your student aid application

AND

- they will continue to get more than half their support from July 1, 1995 through June 30, 1996.

Write the names of all family members. Also write in the name of the college for any family member who will be attending college at least half-time between July 1, 1995 and June 30, 1996, and will be enrolled in a degree or certificate program. If you need more space, attach a separate page.

Full Name	Age	Relationship	College
Janet Jones	*51*	*Mother*	*Central University*
Ben Thomas	22	self	Woodrow Wilson
Vincent Thomas	50	father	
Melissa Thomas	48	mother	
Richard Thomas	20	brother	
Maya Thomas	17	sister	
Connor Thomas	19	brother	Prince College

Public reporting burden for this collection of information is estimated to be 12 minutes per response, including time to review instructions, search existing data sources, gather and maintain the data needed, and complete and review the information. Send comments regarding the burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to U.S. Department of Education, Information Management and Compliance Division, Washington, D.C. 20202-4651, and to Office of Management and Budget, Paperwork Reduction Project (1840-0132), Washington, D.C. 20503.

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C. Student's Tax Forms and Income Information

D

1. For all tax filers and non-tax filers (includes the 1994 IRS Form 1040, 1040A, 1040EZ, a tax return from Puerto Rico or a foreign income tax return). If you did not keep a copy of the tax return, request one from the Internal Revenue Service or from your tax preparer.

☐ Check and attach signed tax return.
☐ Check and complete: signed tax return will be mailed to the school by ________________(date).
☒ Check here if you will not file and are not required to file a 1994 U.S. Income Tax Return.

2. Income earned from work: Use the W-2 or other earnings statements.

Employers	Amount

3. Amounts received for child support and other untaxed income.

Sources	Amount

D. Parents' Tax Forms and Income Information

1. For all tax filers and non-tax filers (includes the 1994 IRS Form 1040, 1040A, 1040EZ, a tax return from Puerto Rico or a foreign income tax return). If your parent(s) did not keep a copy of the tax return, request one from the Internal Revenue Service or from the tax preparer.

☒ Check and attach signed tax return.
☐ Check and complete: signed tax return will be mailed to the school by ________________(date).
☐ Check here if your parent(s) will not file and are not required to file a 1994 U.S. Income Tax Return.

2. Income earned from work: Use the W-2 or other earnings statements.

Employers	Amount

3. Amounts received for child support and other untaxed income.

Sources	Amount

E. Sign this Worksheet

By signing this worksheet, we certify that all the information reported to qualify for Federal student aid is complete and correct. (At least one parent must sign.)

WARNING: If you purposely give false or misleading information on this worksheet, you may be fined, be sentenced to jail, or both.

Ben Thomas 4/15/95
Student Date

Vincent Thomas 4/16/95
Father/Stepfather Date

Melissa Thomas 4/15/95
Mother/Stepmother Date

Do not mail this worksheet to your application processor. Take it to your Financial Aid Administrator. Don't forget your tax forms.

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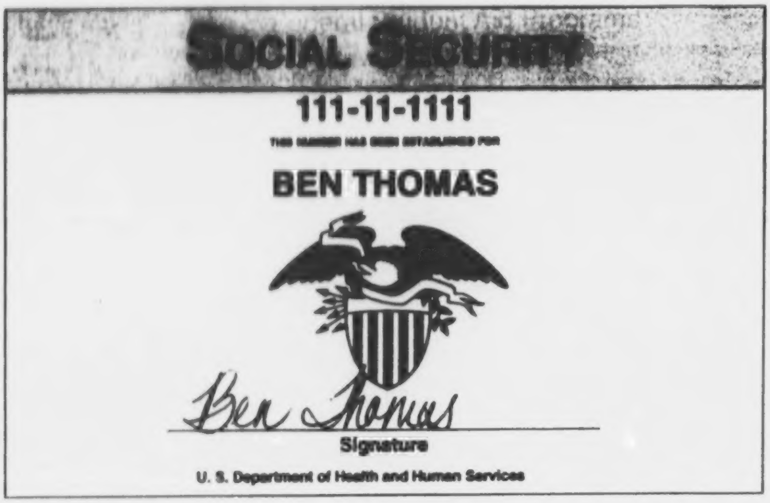

SOCIAL SECURITY

111-11-1111

BEN THOMAS

Ben Thomas

Signature

U. S. Department of Health and Human Services

SOLUTIONS

VERIFICATION WORKING PAPER

Name: Ben Thomas SS#: 111-11-1111 Dependency Status: D

Tax return signed? Yes ✓ No_____ Returned_____ Verification Worksheet Signed? Yes ✓ No_____ Returned_____

Item Reported	Amount Reported	Amount Verified
Household Size	6	6
Number in College	2	2
Parent Adjusted Gross Income	22,261	22,261
Parent Income Tax Paid	369	369
Student/Spouse Adjusted Gross Income	0	0
Student/Spouse Income Tax Paid	0	0
Student Earnings	0	0
Spouse Earnings	N/A	N/A
Mother Earnings	11,791	11,791
Father Earnings	8,566	8,566
(AFDC or ADC)	0	0
Social Security Benefits	0	0
Child Support	0	0
Exclusions	0	0
Other Untaxed Income*	13	13

* Itemization of other untaxed income:

Earned Income Credit	13
Foreign Income Exclusion	+ 0
IRA and KEOGH Income	+ 0
Other Untaxed Income (Source:__________)	+ 0
TOTAL:	= 13

Net Difference $ 0

(Reported Difference Minus Verified Difference)

$400 Tolerance Used: None_____

Verification Status Code: N [✓ A] W T C R S Recalculated EFC _____

Verification Performed By: F. A. Archer Date: 8/8/95

LAB

E

Packaging (Ben)

Lab Time: 20 minutes

OBJECTIVE

You will practice packaging financial aid on the basis of the cost of attendance (COA) and Expected Family Contribution (EFC) using some of the methods discussed in Session 20.

OVERVIEW

In this lab exercise, which accompanies Session 20, you will develop financial aid packages for Ben using the ladder model or self-help model.

Your school has a packaging policy of awarding a maximum of two federal student loans. Your school's packaging policy also stipulates that a student cannot receive more than two types of campus-based aid. Students may apply for additional loans for which they are eligible. The school's campus-based award limits are:

FSEOG	$1,000
FWS	$1,000
Federal Perkins Loans	$1,500

The correct responses are provided in the Solutions Section at the end of the lab exercise.

PREPARATIONS

You will need Ben's SAR from his file. Blank packaging worksheets are provided in the lab materials.

INSTRUCTIONS

You are now ready to package Ben for 1995-96. Before you can package, however, you must develop a packaging philosophy for your school. After reviewing the school's funding levels, you decide to use the ladder model or the self-help model. Ben's award notification is going to be mailed to him within a month. Ben will be enrolled full time.

Step 1: Choose whether you will use the ladder model or the self-help model for packaging.

Step 2: Complete the packaging worksheet for Ben using the model you selected.

Step 3: Check your packaging worksheet against the correct response in the Solutions Section at the end of the lab exercise.

Step 4: Remove Ben's packaging worksheet from the binder. Put Ben's SAR and packaging worksheet in his files.

PACKAGING WORKSHEET

LADDER

Name: Ben Thomas Date: ________

SSN: 111-11-1111 Counselor: ________

Campus-Based/FFEL Cost of Attendance			$ 5,747
Expected Family Contribution		-	$
Financial Need		=	$
Pell Cost of Attendance $ 5,747	**Pell Grant**	-	$
Remaining Need		=	$

Other Financial Assistance (Scholarships, Campus-Based Awards, FFEL Loans, etc.)	**Amount**	**Remaining Need**
1.	$	$
2.	$	$
3.	$	$
4.	$	$
Total Financial Aid, including Pell	$	
Remaining Need After Packaging		$

PACKAGING WORKSHEET

SELF-HELP

Name: Ben Thomas Date: ____________

SSN: 111-11-1111 Counselor: ____________

Campus-Based/FFEL Cost of Attendance			$ 5,747
Expected Family Contribution		-	$ ____
Financial Need		=	$ ____
Pell Cost of Attendance $ 5,747	Pell Grant	-	$ ____
Remaining Need		=	$ ____

Other Financial Assistance (Scholarships, Campus-Based Awards, FFEL Loans, etc.)	Amount	Remaining Need
1. ____________	$ ____	$ ____
2. ____________	$ ____	$ ____
3. ____________	$ ____	$ ____
4. ____________	$ ____	$ ____
Total Financial Aid, including Pell	$ ____	
Remaining Need After Packaging		$ ____

SOLUTIONS

PACKAGING WORKSHEET

LADDER

Name: Ben Thomas　Date:

SSN: 111-11-1111　Counselor: F. A. Archer

Campus-Based/FFEL Cost of Attendance			$ 5,747
Expected Family Contribution		-	$ 0
Financial Need		=	$ 5,747
Pell Cost of Attendance $ 5,747	Pell Grant	-	$ 2,340
Remaining Need		=	$ 3,407

Other Financial Assistance (Scholarships, Campus-Based Awards, FFEL Loans, etc.)	Amount	Remaining Need
1. FSEOG	$ 1,000	$ 2,407
2. Federal Work-Study*	$ 1,000	$ 1,407
3. Federal Stafford Loan	$ 1,407	$ 0
4.	$ 0	$ 0
Total Financial Aid, including Pell	$ 5,747	
Remaining Need After Packaging		$ 0

*In an effort to reduce student loan debt-burden, Federal Work-Study was awarded. You may award a Federal Perkins Loan instead of Federal Work-Study.

PACKAGING WORKSHEET

SELF-HELP

Name: Ben Thomas
Date:
SSN: 111-11-1111
Counselor: F. A. Archer

Campus-Based/FFEL Cost of Attendance				$ 5,747
Expected Family Contribution			-	$ 0
Financial Need			=	$ 5,747
Pell Cost of Attendance	$ 5,747	**Pell Grant**	-	$ 2,340
Remaining Need			=	$ 3,407

Other Financial Assistance (Scholarships, Campus-Based Awards, FFEL Loans, etc.)	**Amount**	**Remaining Need**
1. Federal Work-Study*	$ 1,000	$ 2,407
2. FSEOG	$ 1,000	$ 1,407
3. Federal Stafford Loan	$ 1,407	$ 0
4.	$ 0	$ 0
Total Financial Aid, including Pell	$ 5,747	
Remaining Need After Packaging		$ 0

*In an effort to reduce student loan debt-burden, Federal Work-Study was awarded. You may award a Federal Perkins Loan instead of Federal Work-Study.

LAB

F

Calculating Federal Pell Grant Cost of Attendance—All Schools (Ben)

Lab Time: 45 minutes

OBJECTIVE

You will practice calculating Pell Grant Cost of Attendance.

You will practice determining the annual award and calculating the disbursement amount for a Pell Grant award.

OVERVIEW

In this lab exercise, which accompanies Sessions 22a and 22b, you will be determining Ben's annual award and disbursement amount for a Pell Grant.

We will provide you with a Pell Grant Calculation Worksheet. On that worksheet, you will be provided with information to calculate the COA and determine the enrollment status. You will use Ben's SAR to determine the EFC.

The correct responses are provided in the Solutions Section at the end of the lab exercise.

PREPARATIONS

You will be using the SAR in Ben's file and the 1995-96 Pell Grant Payment and Disbursement Schedules provided in your copy of *The 1995-96 Federal Student Financial Aid Handbook*, Chapter 4, beginning on page 4-125.

INSTRUCTIONS

This week your school is holding registration. Ben has registered for classes. The financial aid office will determine the Pell Grant disbursements for Ben. The business office can then be notified of the authorized disbursements.

Step 1: Decide whether your school will be a term school with credit hours or a school with credit hours without terms or with clock hours.

Step 2: Decide which of Ben's Pell Grant disbursement you will calculate.

Step 4: Check your calculated disbursement amount with the correct responses in the Solutions Section.

Step 5: Remove the Pell Grant Calculation Worksheet from the binder and place it in Ben's file.

Ben is enrolled at **Your School**. He enrolls for 6 credit hours in the fall semester and an additional 12 credit hours in the spring semester. However, after the fall semester, but before the spring semester, his plans change and he enrolls for only 6 credit hours in the spring semester. **Your School** operates on a 2-semester academic calendar (fall and spring semesters). The school defines its academic year as 24 semester hours and 30 weeks of instructional time, and uses minimum regulatory standards for determining enrollment status. The terms are not overlapping, and the program does not have multiple start dates. Each semester is 15 weeks of instructional time. The fall semester starts August 29, 1995. Tuition for a full-time student is $1,046 per semester. Room and board charges are $1,250 per semester. The allowance for books is $200 per semester, $325 for transportation and miscellaneous expenses per semester, and $105 for student loan fees. The school meets all criteria for **Formula 1**.

Federal Pell Grant Calculation Worksheet

Standard-term, credit-hour programs
(Fall through spring terms equal to or greater than 30 weeks)

1. **Enrollment Status:** ☐ Full time ☐ 3/4 time ☐ 1/2 time ☐ < 1/2 time

2. **Cost of Attendance:**
$__________ Tuition and fees
+__________ Room and board
+__________ Books, supplies, transportation, and miscellaneous expenses
+__________ Dependent-care expenses
+__________ Disability-related expenses
+__________ Study abroad
+__________ Employment-related cooperative educational program expenses
+__________ Student loan fees
= $__________ **Total COA**

3. **Scheduled Award:** (from full-time Payment Schedule) (EFC______) $__________

4. **Payment Periods:** Number of payment periods in academic year__________

5. **Payment for a Payment Period:**

- Annual award from appropriate schedule $__________
- Number of payment periods in the program's definition of AY ÷ __________
- Payment for term (payment period) = $__________
- Number of terms enrolled in award year__________
  - ◊ First term expected disbursement $__________
  - ◊ Second term expected disbursement + $__________
  - ◊ **Expected Federal Pell Grant for the award year** = $__________

Ben is a resident student at **Your School**. **Your School** defines its academic year as 24 semester hours and 30 weeks of instructional time. **Your School** has 28 weeks of instructional time in the fall through spring semesters. Each semester has 14 weeks of instructional time. Summer term has 11 weeks of instructional time. A student is required to be enrolled at least 12 semester hours in any term to be considered a full-time student. The program is not offered with multiple start dates or overlapping terms. Ben plans to enroll for 12 semester hours each term in the fall semester and the spring semester. Tuition for a full-time student is $1,500 a semester. **Your School** allows $200 per semester for books and supplies, $2,000 per semester for room and board for resident students, $325 per semester for transportation and miscellaneous expenses, and $105 for student loan fees. The school meets all the criteria for **Formula 2.**

Federal Pell Grant Calculation Worksheet

Standard-term, credit-hour programs
(Fall through spring terms equal to or greater than 30 weeks)

1. **Enrollment Status:** ☐ Full time ☐ 3/4 time ☐ 1/2 time ☐ < 1/2 time

2. **Cost of Attendance:**

Tuition and fees $__________
Books and supplies +__________
Total =__________(1)
Room and Board $__________
Transportation & misc. personal +__________
Dependent-care expenses +__________
Disability-related expenses +__________
Study abroad +__________
Employment-related cooperative ed. +__________
Student loan fees +__________
Total =$__________
Proration ratio* x __________
Prorated costs =$__________(2)
Total COA (1) + (2) = =$__________

*Proration ratio = $\dfrac{\text{Weeks of instructional time in program's definition of AY}}{\text{Weeks of instructional time in the terms to which the costs apply}}$

3. **Scheduled Award:** (from full-time Payment Schedule) (EFC______) $__________
4. **Payment Periods:** Number of payment periods in fall through spring __________
5. **Payment for a Payment Period:**
   - Annual award from appropriate schedule $__________
   - Payment for term (payment period) = $__________

Annual award x $\dfrac{\text{Weeks of instructional time in term}}{\text{Weeks of instructional time in program's definition of AY}}$

◊ First term expected disbursement $__________
◊ Second term expected disbursement + $__________
◊ **Expected Federal Pell Grant for the award year** = $__________

Ben is a resident student at **Your School**, which is a postsecondary vocational institute, in a program offered over 36 weeks in six 6-week terms from August to June. **Your School** defines its academic year as 25 semester hours and 30 weeks of instructional time. A student completes 30 weeks of instructional time in five 6-week terms. A student is required to be enrolled 5 semester hours in any term to be considered a full-time student. Ben plans to enroll for 5 semester hours in every term. Tuition is $665 a term. **Your School** allows $50 per term for books and supplies, $500 per term for room and board for resident students, $130 per term for transportation and miscellaneous expenses, and $105 for student loan fees. The school meets all the criteria for **Formula 3.**

Federal Pell Grant Calculation Worksheet
Nonstandard-term, credit-hour programs

1. **Enrollment Status:**

Standard Terms	☐ Full time	☐ 3/4 time	☐ 1/2 time	☐ < 1/2 time
Nonstandard Terms	☐ Full time	☐ 3/4 time	☐ 1/2 time	☐ < 1/2 time

Nonstandard Term Calculation:

Full-time status:

$$\text{Hours in AY} \times \frac{\text{Weeks of instructional time in nonstandard term}}{\text{Weeks of instructional time in program's definition of AY}}$$

Less than full-time status:

$$\frac{\text{Hours student takes in nonstandard term}}{\text{Hours required for full-time status in nonstandard term}}$$

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Continued on next page

Federal Pell Grant Calculation Worksheet

Nonstandard-term, credit-hour programs (continued from previous page)

2. **Cost of Attendance:**

Tuition & fees	$__________		
Books & supplies	+__________		
Total		= $________	
Proration ratio*		x ________	
Prorated costs			= $________(1)
Room and board	$__________		
Transportation and misc. personal	+__________		
Dependent-care expenses	+__________		
Disability-related expenses	+__________		
Study abroad	+__________		
Employment-related coop. ed.	+__________		
Student loan fees	+__________		
Total		= $________	
Proration ratio**		x ________	
Prorated costs			= $________(2)
Total COA [(1) + (2)]			= $________

$$* \text{ Proration ratio} = \frac{\text{Hours in program's definition of AY}}{\text{Hours in AY for student's program of study}}$$

$$** \text{Proration ratio} = \frac{\text{Weeks of instructional time in program's definition of AY}}{\text{Weeks of instructional time in the terms to which the costs apply}}$$

3. **Scheduled Award:** (from full-time Payment Schedule) (EFC______) $__________

4. **Payment Periods:** Number of terms in award year __________

5. **Payment for a Payment Period:**
- Annual award from appropriate schedule $__________

$$\text{Annual award} \times \frac{\text{Weeks of instructional time in term}}{\text{Weeks of instructional time in program's definition of AY}}$$

◊ First term expected disbursement	$__________
◊ Second term expected disbursement	+ $__________
◊ Third term expected disbursement	+ $__________
◊ Fourth term expected disbursement	+ $__________
◊ Fifth term expected disbursement	+ $__________
◊ Sixth term expected disbursement	+ $__________
◊ **Expected Federal Pell Grant for the award year**	= $__________

Ben is a resident student at **Your School**. **Your School** defines its academic year as 24 semester hours and 30 weeks of instructional time. The 30 weeks of instructional time are in two 15-week semesters. Summer term has 11 weeks of instructional time. A student is required to be enrolled 12 semester hours in each term in the fall and spring semesters to be considered a full-time student. During the summer, a student may not enroll for more than 6 semester hours, and 6 semester hours is considered full time by the registrar's office and the financial aid office. Ben plans to enroll for 12 semester hours in the fall semester and 6 semester hours in the summer term. Tuition is $1,500 a term. **Your School** allows $200 per semester for books and supplies, $2,000 per semester for room and board for resident students, $325 per semester for transportation and miscellaneous expenses, and $105 for student loan fees. The school meets all the criteria for **Formula 3**.

Federal Pell Grant Calculation Worksheet
Nonstandard-term, credit-hour programs

1. **Enrollment Status:**

Standard Terms ☐ Full time ☐ 3/4 time ☐ 1/2 time ☐ < 1/2 time
Nonstandard Terms ☐ Full time ☐ 3/4 time ☐ 1/2 time ☐ < 1/2 time

Nonstandard Term Calculation:

Full-time status:

$$\text{Hours in AY} \; \text{x} \; \frac{\text{Weeks of instructional time in nonstandard term}}{\text{Weeks of instructional time in program's definition of AY}}$$

Less than full-time status:

$$\frac{\text{Hours student takes in nonstandard term}}{\text{Hours required for full-time status in nonstandard term}}$$

Continued on next page

Federal Pell Grant Calculation Worksheet

Nonstandard-term, credit-hour programs (continued from previous page)

2. **Cost of Attendance:**

Tuition & fees $__________

Books & supplies +__________

Total = $________

Proration ratio* x ________

Prorated costs = $________(1)

Room and board $__________

Transportation and misc. personal +__________

Dependent-care expenses +__________

Disability-related expenses +__________

Study abroad +__________

Employment-related coop. ed. +__________

Student loan fees +__________

Total = $________

Proration ratio** x ________

Prorated costs = $________(2)

Total COA [(1) + (2)] = $________

$$\text{* Proration ratio} = \frac{\text{Hours in program's definition of AY}}{\text{Hours in AY for student's program of study}}$$

$$\text{** Proration ratio} = \frac{\text{Weeks of instructional time in program's definition of AY}}{\text{Weeks of instructional time in the terms to which the costs apply}}$$

3. **Scheduled Award:** (from full-time Payment Schedule) (EFC______) $__________

4. **Payment Periods:** Number of terms in award year __________

5. **Payment for a Payment Period:**
- Annual award from appropriate schedule (for fall) $__________
- Annual award from appropriate schedule (for summer) $__________

$$\text{Annual award} \times \frac{\text{Weeks of instructional time in term}}{\text{Weeks of instructional time in program's definition of AY}}$$

◊ First term expected disbursement $__________

◊ Second term expected disbursement +$__________

◊ Third term expected disbursement +$__________

◊ **Expected Federal Pell Grant for the award year** =$__________

Ben is enrolled full time in a 900-clock-hour program at **Your School**. The school defines its academic year as 900 clock hours and 30 weeks. A full-time student completes the 900 clock hours in 30 weeks of instructional time. Ben's program can be completed in 30 weeks of instructional time and starts on August 29, 1995. Tuition is $1,046. **Your School** allows $150 for books, $2,500 for room and board, $900 for transportation and miscellaneous expenses, and $105 for student loan fees. The school meets all criteria for **Formula 4**.

Federal Pell Grant Calculation Worksheet

Credit Hours Without Terms Program or Clock-Hours Program

1. **Enrollment Status:** ☐ Full time ☐ < 1/2 time

2. **Cost of Attendance**

Tuition & fees $____________

Books & supplies +____________

Total = $____________

Proration ratio* x ____________

Prorated costs = $____________

Room & board $____________

Transportation & misc. personal +____________

Dependent-care expenses +____________

Disability-related expenses +____________

Study abroad +____________

Employment-related coop. ed. +____________

Student loan fees +____________

Total = $____________

Proration ratio** x ____________

Prorated costs = $____________

Total COA = $____________

$$* \text{ Proration ratio} = \frac{\text{Hours in program's definition of AY}}{\text{Hours in student's program of study}}$$

$$** \text{ Proration ratio} = \frac{\text{Weeks of instructional time in program's definition of AY}}{\text{Weeks of instructional time in the enrollment period to which the costs apply}}$$

3. **Scheduled Award:** (from full-time Payment Schedule) (EFC______) $____________

____

4. **Payment Periods:**

- Program length in hours
  - Program length ≥ Academic year: Payment period = 1/2 x Academic year
  - Program length < Academic year: Payment period = 1/2 x Program length
- Payment period definition ____________ hours

Continued on next page

Federal Pell Grant Calculation Worksheet
Credit Hours Without Terms Program or Clock-Hours Program
(continued from previous page)

5. **Payment for a Payment Period:**
   (1) Scheduled award x the lesser of:

$$\frac{\text{Weeks of instructional time for a full-time student to complete hours in program}}{\text{Weeks of instructional time in school's definition of AY}}$$

OR

$$\frac{\text{Weeks of instructional time for a full-time student to complete the hours in AY}}{\text{Weeks of instructional time in school's definition of AY}}$$

OR

One (1)

(2): (1) x $\dfrac{\text{Hours in payment period}}{\text{Hours in program's definition of AY}}$

Payments: Hours ______________ to ______________ $______________
Hours ______________ to ______________ + $______________
Expected Federal Pell Grant for award year = $______________

SOLUTIONS

Ben is enrolled at **Your School**. He enrolls for 6 credit hours in the fall semester and an additional 12 credit hours in the spring semester. However, after the fall semester, but before the spring semester, his plans change and he enrolls for only 6 credit hours in the spring semester. **Your School** operates on a 2-semester academic calendar (fall and spring semesters). The school defines its academic year as 24 semester hours and 30 weeks of instructional time, and uses minimum regulatory standards for determining enrollment status. The terms are not overlapping, and the program does not have multiple start dates. Each semester is 15 weeks of instructional time. The fall semester starts August 29, 1995. Tuition for a full-time student is $1,046 per semester. Room and board charges are $1,250 per semester. The allowance for books is $200 per semester, $325 for transportation and miscellaneous expenses per semester, and $105 for student loan fees. The school meets all criteria for **Formula 1**.

Federal Pell Grant Calculation Worksheet

Standard-term, credit-hour programs
(Fall through spring terms equal to or greater than 30 weeks)

1. **Enrollment Status:** ☐ Full time ☐ 3/4 time ☒ 1/2 time ☐ < 1/2 time

2. **Cost of Attendance:**

$	2,092	Tuition and fees
+	2,500	Room and board
+	1,050	Books, supplies, transportation, and miscellaneous expenses
+	0	Dependent-care expenses
+	0	Disability-related expenses
+	0	Study abroad
+	0	Employment-related cooperative educational program expenses
+	105	Student loan fees
= $	5,747	**Total COA**

3. **Scheduled Award:** (from full-time Payment Schedule) (EFC 0) $ 2,340

4. **Payment Periods:** Number of payment periods in academic year 2

5. **Payment for a Payment Period:**

- Annual award from appropriate schedule $ 1,170
- Number of payment periods in the program's definition of AY ÷ 2
- Payment for term (payment period) = $ 585
- Number of terms enrolled in award year 2
  - ◊ First term expected disbursement $ 585
  - ◊ Second term expected disbursement + $ 585
  - ◊ **Expected Federal Pell Grant for the award year** = $ 1,170

Ben is a resident student at **Your School**. **Your School** defines its academic year as 24 semester hours and 30 weeks of instructional time. **Your School** has 28 weeks of instructional time in the fall through spring semesters. Each semester has 14 weeks of instructional time. Summer term has 11 weeks of instructional time. A student is required to be enrolled at least 12 semester hours in any term to be considered a full-time student. The program is not offered with multiple start dates or overlapping terms. Ben plans to enroll for 12 semester hours each term in the fall semester and the spring semester. Tuition for a full-time student is $1,500 a semester. **Your School** allows $200 per semester for books and supplies, $2,000 per semester for room and board for resident students, $325 per semester for transportation and miscellaneous expenses, and $105 for student loan fees. The school meets all the criteria for **Formula 2.**

Federal Pell Grant Calculation Worksheet
Standard-term, credit-hour programs
(Fall through spring terms equal to or greater than 30 weeks)

1. **Enrollment Status:** ☐ Full time ☐ 3/4 time ☐ 1/2 time ☐ < 1/2 time

2. **Cost of Attendance:**

Tuition and fees	$ 3,000	
Books and supplies	+ 400	
Total		= 3,400 (1)
Room and Board	$ 4,000	
Transportation & misc. personal	+ 650	
Dependent-care expenses	+ 0	
Disability-related expenses	+ 0	
Study abroad	+ 0	
Employment-related cooperative ed.	+ 0	
Student loan fees	+ 105	
Total	=$ 4,755	
Proration ratio*	x 30/28	
Prorated costs		=$ 5,095 (2)
Total COA (1) + (2) =		=$ 8,495

*Proration ratio = $\frac{\text{Weeks of instructional time in program's definition of AY}}{\text{Weeks of instructional time in the terms to which the costs apply}}$ $\frac{30}{28}$

3. **Scheduled Award:** (from full-time Payment Schedule) (EFC 0) $ 2,340
4. **Payment Periods:** Number of payment periods in fall through spring 2
5. **Payment for a Payment Period:**
   - Annual award from appropriate schedule $ 2,340
   - Payment for term (payment period) = $ 1,091

Annual award x $\frac{\text{Weeks of instructional time in term}}{\text{Weeks of instructional time in program's definition of AY}}$ 2,340 x $\frac{14}{30}$ = 1,092

◊ First term expected disbursement $ 1,092
◊ Second term expected disbursement + $ 1,091
◊ **Expected Federal Pell Grant for the award year** = $ 2,183

Ben is a resident student at **Your School**, which is a postsecondary vocational institute, in a program offered over 36 weeks in six 6-week terms from August to June. **Your School** defines its academic year as 25 semester hours and 30 weeks of instructional time. A student completes 30 weeks of instructional time in five 6-week terms. A student is required to be enrolled 5 semester hours in any term to be considered a full-time student. Ben plans to enroll for 5 semester hours in every term. Tuition is $665 a term. **Your School** allows $50 per term for books and supplies, $500 per term for room and board for resident students, $130 per term for transportation and miscellaneous expenses, and $105 for student loan fees. The school meets all the criteria for **Formula 3.**

Federal Pell Grant Calculation Worksheet
Nonstandard-term, credit-hour programs

1. **Enrollment Status:**

Standard Terms	☐ Full time	☐ 3/4 time	☐ 1/2 time	☐ < 1/2 time
Nonstandard Terms	☒ Full time	☐ 3/4 time	☐ 1/2 time	☐ < 1/2 time

Nonstandard Term Calculation:

Full-time status:

$$\text{Hours in AY} \times \frac{\text{Weeks of instructional time in nonstandard term}}{\text{Weeks of instructional time in program's definition of AY}}$$

$$25 \times \frac{6}{30} = 5$$

Less than full-time status:

$$\frac{\text{Hours student takes in nonstandard term}}{\text{Hours required for full-time status in nonstandard term}}$$

Continued on next page

Federal Pell Grant Calculation Worksheet
Nonstandard-term, credit-hour programs (continued from previous page)

2. **Cost of Attendance:**

Tuition & fees	$ 3,325		
Books & supplies	+ 250		
Total		= $ 3,575	
Proration ratio*		x N/A	
Prorated costs			= $ 3,575 (1)
Room and board	$ 2,500		
Transportation and misc. personal	+ 650		
Dependent-care expenses	+ 0		
Disability-related expenses	+ 0		
Study abroad	+ 0		
Employment-related coop. ed.	+ 0		
Student loan fees	+ 105		
Total		= $ 3,255	
Proration ratio**		x N/A	
Prorated costs			= $ 3,255 (2)
Total COA [(1) + (2)]			= $ 6,830

* Proration ratio = $\frac{\text{Hours in program's definition of AY}}{\text{Hours in AY for student's program of study}}$

**Proration ratio = $\frac{\text{Weeks of instructional time in program's definition of AY}}{\text{Weeks of instructional time in the terms to which the costs apply}}$

3. **Scheduled Award:** (from full-time Payment Schedule) (EFC 0) $ 2,340

4. **Payment Periods:** Number of terms in award year 5

5. **Payment for a Payment Period:**
- Annual award from appropriate schedule $ 2,340

Annual award x $\frac{\text{Weeks of instructional time in term}}{\text{Weeks of instructional time in program's definition of AY}}$

◊ First term expected disbursement	$ 468
◊ Second term expected disbursement	+ $ 468
◊ Third term expected disbursement	+ $ 468
◊ Fourth term expected disbursement	+ $ 468
◊ Fifth term expected disbursement	+ $ 468
◊ Sixth term expected disbursement	+ $ 0
◊ **Expected Federal Pell Grant for the award year**	= $ 2,340

Ben is a resident student at **Your School**. **Your School** defines its academic year as 24 semester hours and 30 weeks of instructional time. The 30 weeks of instructional time are in two 15-week semesters. Summer term has 11 weeks of instructional time. A student is required to be enrolled 12 semester hours in each term in the fall and spring semesters to be considered a full-time student. During the summer, a student may not enroll for more than 6 semester hours, and 6 semester hours is considered full time by the registrar's office and the financial aid office. Ben plans to enroll for 12 semester hours in the fall semester and 6 semester hours in the summer term. Tuition is $1,500 a term. **Your School** allows $200 per semester for books and supplies, $2,000 per semester for room and board for resident students, $325 per semester for transportation and miscellaneous expenses, and $105 for student loan fees. The school meets all the criteria for **Formula 3**.

Federal Pell Grant Calculation Worksheet
Nonstandard-term, credit-hour programs

1. **Enrollment Status:**

Standard Terms ☒ Full time ☐ 3/4 time ☐ 1/2 time ☐ < 1/2 time Fall
Nonstandard Terms ☐ Full time ☐ 3/4 time ☐ 1/2 time ☐ < 1/2 time Summer

Nonstandard Term Calculation:

Full-time status:

$$\text{Hours in AY} \times \frac{\text{Weeks of instructional time in nonstandard term}}{\text{Weeks of instructional time in program's definition of AY}}$$

$24 \times \frac{11}{30} = 9$

Less than full-time status:

$$\frac{\text{Hours student takes in nonstandard term}}{\text{Hours required for full-time status in nonstandard term}}$$

$6/9$

Continued on next page

Federal Pell Grant Calculation Worksheet
Nonstandard-term, credit-hour programs (continued from previous page)

2. **Cost of Attendance:**

Tuition & fees $ 3,000
Books & supplies + 400
Total = $ 3,400
Proration ratio* x N/A
Prorated costs = $ 3,400 (1)
Room and board $ 4,000
Transportation and misc. personal + 650
Dependent-care expenses + 0
Disability-related expenses + 0
Study abroad + 0
Employment-related coop. ed. + 0
Student loan fees + 105
Total = $ 4,755
Proration ratio** x N/A
Prorated costs = $ 4,755 (2)
Total COA [(1) + (2)] = $ 8,155

$$\text{* Proration ratio} = \frac{\text{Hours in program's definition of AY}}{\text{Hours in AY for student's program of study}}$$

$$\text{**Proration ratio} = \frac{\text{Weeks of instructional time in program's definition of AY}}{\text{Weeks of instructional time in the terms to which the costs apply}}$$

3. **Scheduled Award:** (from full-time Payment Schedule) (EFC 0) $ 2,340

4. **Payment Periods:** Number of terms in award year 2

5. **Payment for a Payment Period:**
- Annual award from appropriate schedule (for fall) $ 2,340
- Annual award from appropriate schedule (for summer) $ 1,170

$$\text{Annual award} \times \frac{\text{Weeks of instructional time in term}}{\text{Weeks of instructional time in program's definition of AY}}$$

$ 2,340 x 15/30 = $1,170 (fall) $2,340 x 11/30 = $858 (summer)

◊ First term expected disbursement $ 1,170
◊ Second term expected disbursement + $ 858
◊ Third term expected disbursement + $ 0
◊ **Expected Federal Pell Grant for the award year** = $ 2,028

Ben is enrolled full time in a 900-clock-hour program at **Your School**. The school defines its academic year as 900 clock hours and 30 weeks. A full-time student completes the 900 clock hours in 30 weeks of instructional time. Ben's program can be completed in 30 weeks of instructional time and starts on August 29, 1995. Tuition is $1,046. **Your School** allows $150 for books, $2,500 for room and board, $900 for transportation and miscellaneous expenses, and $105 for student loan fees. The school meets all criteria for **Formula 4**.

Federal Pell Grant Calculation Worksheet

Credit Hours Without Terms Program or Clock-Hours Program

1. **Enrollment Status:** ☒ Full time ☐ < 1/2 time

2. **Cost of Attendance**

Tuition & fees	$ 1,046		
Books & supplies	+ 150		
Total		= $ 1,196	
Proration ratio*		x N/A	
Prorated costs			= $ N/A
Room & board	$ 2,500		
Transportation & misc. personal	+ 900		
Dependent-care expenses	+ 0		
Disability-related expenses	+ 0		
Study abroad	+ 0		
Employment-related coop. ed.	+ 0		
Student loan fees	+ 105		
Total		= $ 3,505	
Proration ratio**		x N/A	
Prorated costs			= $ N/A
Total COA			= $ 4,701

* Proration ratio = $\frac{\text{Hours in program's definition of AY}}{\text{Hours in student's program of study}}$

** Proration ratio = $\frac{\text{Weeks of instructional time in program's definition of AY}}{\text{Weeks of instructional time in the enrollment period to which the costs apply}}$

3. **Scheduled Award:** (from full-time Payment Schedule) (EFC 0) $ 2,340

4. **Payment Periods:**
- Program length in hours
  - Program length ≥ Academic year: Payment period = 1/2 x Academic year
  - Program length < Academic year: Payment period = 1/2 x Program length
- Payment period definition 450 hours

Continued on next page

Federal Pell Grant Calculation Worksheet
Credit Hours Without Terms Program or Clock-Hours Program
(continued from previous page)

5. **Payment for a Payment Period:**
   (1) Scheduled award x the lesser of: $2,340 × $\frac{30 \text{ weeks}}{30 \text{ weeks}}$ = $2,340

$$\frac{\text{Weeks of instructional time for a full-time student to complete hours in program}}{\text{Weeks of instructional time in school's definition of AY}}$$

OR

$$\frac{\text{Weeks of instructional time for a full-time student to complete the hours in AY}}{\text{Weeks of instructional time in school's definition of AY}} \quad \frac{30 \text{ weeks}}{30 \text{ weeks}}$$

OR

One (1)

(2): (1) x $\frac{\text{Hours in payment period}}{\text{Hours in program's definition of AY}}$

Payments:	Hours	0	to	450	$ 1,170
	Hours	451	to	900	+ $ 1,170
Expected Federal Pell Grant for award year					= $ 2,340

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LAB
G

Completing Payment Vouchers (Ben)

Lab Time: 15 minutes

OBJECTIVE

You will become familiar with the Pell Grant payment voucher and learn how to complete the payment voucher to receive payment.

OVERVIEW

In this lab exercise, which accompanies Session 23, you will review the sections of the Pell Grant payment voucher. You will complete a payment voucher for Ben.

The correct responses are provided in the Solutions Section at the end of the lab exercise.

PREPARATIONS

You will need Ben's Pell Grant Calculation Worksheets from his file. Blank payment vouchers are provided in the lab materials for Ben.

INSTRUCTIONS

Step 1: Decide which of Ben's Pell Grant Calculation Worksheets from Lab F you are going to work with in this exercise, the one on page Lab F-12 or the one on page Lab F-18. Your institutional code is 000000.

Step 2: Complete the payment voucher for Ben using one of the Pell Grant Calculation Worksheets (page Lab F-12 or page Lab F-18). All the items on the payment voucher must be completed to override the information reported on the Institutional Payment Summary (IPS). Remember, only the first payment of the Pell Grant has been paid at this point. Refer to Session 23 if you have any questions.

Step 3: Verify the completed payment voucher with the correct responses in the Solution Section at the end of the lab exercise.

Step 4: Sign, date, and complete the back of the payment voucher.

The payment voucher would be sent to the Central Processing System (CPS) for processing; you probably want to keep a copy in Ben's file.

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DEPARTMENT OF EDUCATION
UNITED STATES OF AMERICA

1995 - 96 Student Aid Report

Part 3 - Federal Pell Grant Payment Voucher

FFFFF

- FOR SCHOOL USE ONLY -
Do not staple, tear, or paper clip this form

FORM APPROVED
OMB NO 1840-0132
Expiration Date 12-31-96

BEN THOMAS
8555 OCEAN STREET
BURLINGTON, VT 05452

SSN
DOB 09-25-73
EFC 0000*C

TRANSACTION 01 PIN 3829
PROCESSED 03-08-95
SERIAL D5EDY000040

COMMENTS REGARDING PAYMENT DATA

FOR SCHOOL USE ONLY - SCHOOL CERTIFICATION

I certify that payments to this student are correct according to the Federal Pell Grant Program regulations and statutes, instructions in the Federal Student Financial Aid Handbook, and the 1995-96 Payment Schedule.

I further certify that the student is making satisfactory academic progress in an eligible program, has signed a Statement of Educational Purpose, a Certification Statement on Refunds and Default, a Statement of Registration Status (if required), and has provided any documents for verification (if required).

I believe that the data supplied by the student, from which the Student Aid Report was produced, are accurate. I understand that my school is liable for incorrect payments made to the student, and that if I knowingly make false or misleading statements on this report, I am subject to a fine of up to $10,000, imprisonment for up to 5 years, or both, under provisions of the United States Criminal Code (including 18 U.S.C. 1001).

SIGNED BY______________________________ DATE ______________

SCHOOL NAME____

CITY______________________________ STATE ______________

BEST COPY AVAILABLE

Part 3-Payment Voucher (to be completed by the school)

1 PELL INSTITUTION ID OF CAMPUS ATTENDED

☐ Yes

2 ACADEMIC CALENDAR

- ☐ 1 Credit hour (nonstandard term)
- ☐ 2 Quarter
- ☐ 3 Semester
- ☐ 4 Trimester
- ☐ 5 Clock hour
- ☐ 6 Credit hour without terms

3 COST OF ATTENDANCE (Dollars Only)

A. Standard OR B. Individual

- ☐ A
- ☐ B
- ☐ C
- ☐ D
- ☐ E
- ☐ F
- ☐ G
- ☐ H
- ☐ I
- ☐ J

4 VERIFICATION STATUS

- ☐ **N** Not selected
- ☐ **A** Accurate
- ☐ **W** Without documentation
- ☐ **T** Tolerance
- ☐ **C** Calculated
- ☐ **R** Reprocessed
- ☐ **S** Selected, not verified

5

TERM PROGRAMS ONLY	CLOCK HOUR PROGRAMS, OR CREDIT HOUR PROGRAMS WITHOUT TERMS		TERM AND NONTERM PROGRAMS NOT USING FORMULA 1		ALL PROGRAMS
A. Enrollment Status	B. Hours/Credits expected to complete - Paid from this award year	C. Hours/Credits in program's academic year definition	D. Weeks enrolled in this award year	E. Weeks in program's academic year	F. PAYMENT METHODOLOGY
☐ 1 Full-time ☐ 2 Half-time ☐ 3 Three-quarter time ☐ 4 Other ☐ 5 Less than half-time					☐ 1 Formula 1 ☐ 2 Formula 2 ☐ 3 Formula 3 ☐ 4 Formula 4 ☐ 5 Formula 5 ☐ 6 Other

6 AMOUNT PAID TO DATE

7 REMAINING AMOUNT TO BE PAID

☐ **M** More Than a Full Academic Year

8 MONTHS IN WHICH REMAINING PAYMENTS WILL BE MADE

Number

- ☐ Jul
- ☐ Aug
- ☐ Sep
- ☐ Oct
- ☐ Nov
- ☐ Dec
- ☐ Jan
- ☐ Feb
- ☐ Mar
- ☐ Apr
- ☐ May
- ☐ Jun

9 DATE ENROLLED THIS AWARD YEAR

- ☐ Jul
- ☐ Aug
- ☐ Sep
- ☐ Oct
- ☐ Nov
- ☐ Dec
- ☐ Jan
- ☐ Feb
- ☐ Mar
- ☐ Apr
- ☐ May
- ☐ Jun

- ☐ 1995
- ☐ 1996

10 SECONDARY EFC USED

0000

- ☐ S Secondary
- ☐ 1 Original

11 INCARCERATED

☐ **Y** Yes ☐ **N** No

If Yes, state where the student's correctional facility is located

BEN THOMAS
8555 OCEAN STREET
BURLINGTON, VT 05452

TH 01 0000*C

MAKE NO MARKS IN THIS BOX

TH20080100009

BEST COPY AVAILABLE

DEPARTMENT OF EDUCATION · UNITED STATES OF AMERICA

1995 - 96 Student Aid Report

Part 3 - Federal Pell Grant Payment Voucher

FFFFF

- FOR SCHOOL USE ONLY -

Do not staple, tear, or paper clip this form

FORM APPROVED
OMB NO. 1840-0132
Expiration Date 12-31-96

BEN THOMAS
8555 OCEAN STREET
BURLINGTON, VT 05452

SSN
DOB 09-25-73
EFC 0000*C

TRANSACTION 01 PIN 3829
PROCESSED 03-08-95
SERIAL D5EDY000040

COMMENTS REGARDING PAYMENT DATA:

FOR SCHOOL USE ONLY - SCHOOL CERTIFICATION

I certify that payments to this student are correct according to the Federal Pell Grant Program regulations and statutes, instructions in the Federal Student Financial Aid Handbook, and the 1995-96 Payment Schedule.

I further certify that the student is making satisfactory academic progress in an eligible program, has signed a Statement of Educational Purpose, a Certification Statement on Refunds and Default, a Statement of Registration Status (if required), and has provided any documents for verification (if required).

I believe that the data supplied by the student, from which the Student Aid Report was produced, are accurate. I understand that my school is liable for incorrect payments made to the student, and that if I knowingly make false or misleading statements on this report, I am subject to a fine of up to $10,000, imprisonment for up to 5 years, or both, under provisions of the United States Criminal Code (including 18 U.S.C. 1001).

SIGNED BY______________________________ DATE __________________

SCHOOL NAME____

CITY______________________________ STATE __________________

472

Part 3-Payment Voucher (to be completed by the school)

1 PELL INSTITUTION ID OF CAMPUS ATTENDED

☐ Yes

2 ACADEMIC CALENDAR

- ☐ 1 Credit hour (nonstandard term)
- ☐ 2 Quarter
- ☐ 3 Semester
- ☐ 4 Trimester
- ☐ 5 Clock hour
- ☐ 6 Credit hour without terms

3 COST OF ATTENDANCE (Dollars Only)

A. Standard OR B. Individual

- ☐ A
- ☐ B
- ☐ C
- ☐ D
- ☐ E
- ☐ F
- ☐ G
- ☐ H
- ☐ I
- ☐ J

4 VERIFICATION STATUS

- ☐ **N** Not selected
- ☐ **A** Accurate
- ☐ **W** Without documentation
- ☐ **T** Tolerance
- ☐ **C** Calculated
- ☐ **R** Reprocessed
- ☐ **S** Selected, not verified

5

TERM PROGRAMS ONLY	CLOCK HOUR PROGRAMS, OR CREDIT HOUR PROGRAMS WITHOUT TERMS		TERM AND NONTERM PROGRAMS NOT USING FORMULA 1		ALL PROGRAMS
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6 AMOUNT PAID TO DATE

7 REMAINING AMOUNT TO BE PAID

☐ **M** More Than a Full Academic Year

8 MONTHS IN WHICH REMAINING PAYMENTS WILL BE MADE

Number

- ☐ Jul
- ☐ Aug
- ☐ Sep
- ☐ Oct
- ☐ Nov
- ☐ Dec
- ☐ Jan
- ☐ Feb
- ☐ Mar
- ☐ Apr
- ☐ May
- ☐ Jun

9 DATE ENROLLED THIS AWARD YEAR

- ☐ Jul
- ☐ Aug
- ☐ Sep
- ☐ Oct
- ☐ Nov
- ☐ Dec
- ☐ Jan
- ☐ Feb
- ☐ Mar
- ☐ Apr
- ☐ May
- ☐ Jun

☐ 1995
☐ 1996

10 SECONDARY EFC USED

0000

- ☐ 6 Secondary
- ☐ 1 Original

11 INCARCERATED

☐ **Y** Yes ☐ **N** No

If Yes, state where the student's correctional facility is located

TH 01 0000*C

BEN THOMAS
8555 OCEAN STREET
BURLINGTON, VT 05452

MAKE NO MARKS IN THIS BOX
TH200801000009

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SOLUTIONS

@@@

DEPARTMENT OF EDUCATION
UNITED STATES OF AMERICA

1995 - 96 Student Aid Report

Part 3 - Federal Pell Grant Payment Voucher

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SSN
DOB 09-25-73
EFC 0000*C

TRANSACTION 01 PIN 3829
PROCESSED 03-08-95
SERIAL D5EDY000040

COMMENTS REGARDING PAYMENT DATA:

FOR SCHOOL USE ONLY - SCHOOL CERTIFICATION

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I believe that the data supplied by the student, from which the Student Aid Report was produced, are accurate. I understand that my school is liable for incorrect payments made to the student, and that if I knowingly make false or misleading statements on this report, I am subject to a fine of up to $10,000, imprisonment for up to 5 years, or both, under provisions of the United States Criminal Code (including 18 U.S.C. 1001).

SIGNED BY F.A. Archer DATE 10/1/95

SCHOOL NAME Woodrow Wilson University

CITY Arlington STATE VA

@@@

Part 3-Payment Voucher (to be completed by the school)

1 PELL INSTITUTION ID OF CAMPUS ATTENDED

☐ Yes

0 0 0 0 0 0

2 ACADEMIC CALENDAR

- ☐ 1 Credit hour (nonstandard term)
- ☐ 2 Quarter
- ☒ 3 Semester
- ☐ 4 Trimester
- ☐ 5 Clock hour
- ☐ 6 Credit hour without terms

3 COST OF ATTENDANCE (Dollars Only)

A. Standard OR B. Individual

- ☐ A
- ☐ B
- ☐ C
- ☐ D
- ☐ E
- ☐ F
- ☐ G
- ☐ H
- ☐ I
- ☐ J

B. Individual: 5 7 4 7

4 VERIFICATION STATUS

- ☐ **N** Not selected
- ☒ **A** Accurate
- ☐ **W** Without documentation
- ☐ **T** Tolerance
- ☐ **C** Calculated
- ☐ **R** Reprocessed
- ☐ **S** Selected, not verified

5

TERM PROGRAMS ONLY	CLOCK HOUR PROGRAMS, OR CREDIT HOUR PROGRAMS WITHOUT TERMS		TERM AND NONTERM PROGRAMS NOT USING FORMULA 1		ALL PROGRAMS
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6 AMOUNT PAID TO DATE

5 8 5

7 REMAINING AMOUNT TO BE PAID

5 8 5

☐ **M** More Than a Full Academic Year

8 MONTHS IN WHICH REMAINING PAYMENTS WILL BE MADE

Number 1

- ☐ Jul
- ☐ Aug
- ☐ Sep
- ☐ Oct
- ☐ Nov
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- ☐ Apr
- ☐ May
- ☐ Jun

9 DATE ENROLLED THIS AWARD YEAR

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- ☐ Jan
- ☐ Feb
- ☐ Mar
- ☐ Apr
- ☐ May
- ☐ Jun

- ☐ 1995
- ☐ 1996

10 SECONDARY EFC USED

0000

- ☐ 6 Secondary
- ☒ 1 Original

11 INCARCERATED

☐ **Y** Yes ☒ **N** No

If Yes, state where the student's correctional facility is located

TH 01 0000*C

BEN THOMAS
8555 OCEAN STREET
BURLINGTON, VT 05452

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TH2008010000**9**

1995 - 96 Student Aid Report

Part 3 - Federal Pell Grant Payment Voucher

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SIGNED BY G.A. Archer DATE 10/1/95
SCHOOL NAME Woodrow Wilson University
CITY Arlington STATE VA

BEST COPY AVAILABLE

Part 3-Payment Voucher (to be completed by the school)

1 PELL INSTITUTION ID OF CAMPUS ATTENDED

☐ Yes

0 0 0 0 0 0

2 ACADEMIC CALENDAR

☐ 1 Credit hour (nonstandard term)
☐ 2 Quarter
☐ 3 Semester
☐ 4 Trimester
☒ 5 Clock hour
☐ 6 Credit hour without terms

3 COST OF ATTENDANCE (Dollars Only)

A Standard OR B. Individual

☐ A
☐ B
☐ C
☐ D
☐ E
☐ F
☐ G
☐ H
☐ I
☐ J

4 7 0 1

4 VERIFICATION STATUS

☐ N Not selected
☒ A Accurate
☐ W Without documentation
☐ T Tolerance
☐ C Calculated
☐ R Reprocessed
☐ S Selected, not verified

5

TERM PROGRAMS ONLY	CLOCK HOUR PROGRAMS, OR CREDIT HOUR PROGRAMS WITHOUT TERMS		TERM AND NONTERM PROGRAMS NOT USING FORMULA 1		ALL PROGRAMS
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☒ 1 Full-time ☐ 2 Half-time ☐ 3 Three-quarter time ☐ 4 Other ☐ 5 Less than half-time	900	900	30	30	☐ 1 Formula 1 ☐ 2 Formula 2 ☐ 3 Formula 3 ☒ 4 Formula 4 ☐ 5 Formula 5 ☐ 6 Other

6 AMOUNT PAID TO DATE

1 1 7 0

7 REMAINING AMOUNT TO BE PAID

1 1 7 0

☐ M More Than a Full Academic Year

8 MONTHS IN WHICH REMAINING PAYMENTS WILL BE MADE

Number 1

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☐ Jun

9 DATE ENROLLED THIS AWARD YEAR

☐ Jul
☒ Aug
☐ Sep
☐ Oct
☐ Nov
☐ Dec
☐ Jan
☐ Feb
☐ Mar
☐ Apr
☐ May
☐ Jun

☒ 1995
☐ 1996

10 SECONDARY EFC USED

0000

☐ 6 Secondary
☒ 1 Original

11 INCARCERATED

☐ Y Yes ☒ N No

If Yes, state where the student's correctional facility is located

BEN THOMAS
8555 OCEAN STREET
BURLINGTON, VT 05452

TH 01 0000*C

MAKE NO MARKS IN THIS BOX

TH20080100009

LAB
H

Certifying Federal Stafford Loans (Ben)

Lab Time: 60 minutes

OBJECTIVE

You will become acquainted with the Application and Promissory Note for Federal Stafford Loans and practice certifying subsidized and unsubsidized loans.

OVERVIEW

In this lab exercise, which accompanies Session 25, you will be given the opportunity to certify a Federal Stafford Loan for Ben. You will need the following information to certify the loan:

- Ben Thomas (1st year, dependent student, first-time borrower)

In your lab booklet, you will be given an Application and Promissory Note for a Federal Stafford Loan for Ben. This will give you the opportunity to practice certifying Ben's loan application on your own in this lab.

The correct responses are provided in the Solutions Section at the end of the lab exercise.

PREPARATIONS

You will be using the loan application provided on the next few pages. Information needed to certify Ben's loan application (such as cost of attendance, estimated financial aid, and Expected Family Contribution) will be found in Ben's file or in Lab B, Lab E, and Lab G documentation.

INSTRUCTIONS

Ben now has decided to apply for a Federal Stafford Loan and completed and submitted his loan application to the financial aid office. Today, September 2, 1995, you must certify the loan so that you can forward the loan application to the appropriate lender. The loan period for Ben is August 24, 1995 to May 18, 1996.

Step 1: Pull the **self-help** packaging worksheet from Ben's file or from the Solutions Section in Lab E.

Step 2: Review the Borrower Section for accuracy and completeness. Make sure that Ben has provided references and has completed Items 11-16.

Step 3: Complete the School Section. Refer to Lab B, Student Information, to obtain the school's address; Lab E, Packaging Worksheet, to obtain the student's cost of attendance, estimated financial aid, and Expected Family Contribution; and Lab G, Instructions, Step 1, to obtain the school code. Ben's grade level is provided in the lab overview. Ben's requested loan amount is in the borrower's section of the loan application (Item 12). Remember to indicate recommended disbursement dates on the basis of the concepts discussed in Session 25. The first day of the enrollment period was August 24, 1995.

Step 4: Check the completed loan application against the correct response in the Solutions Section at the end of the lab exercise.

Step 5: Remove the loan application from the binder. The school's copy of the application should be put in Ben's file.

Application and Promissory Note for Federal Stafford Loans *(subsidized and unsubsidized)*

WARNING: Any person who knowingly makes a false statement or misrepresentation on this form is subject to penalties which may include fines or imprisonment under the United States Criminal Code and 20 U.S.C. 1097

Guarantor or Program Identification

Borrower Section

Please print neatly or type. Read the instructions carefully.

1. Last Name Thomas First Name Ben MI
2. Social Security Number 111-11-1111
3. Permanent Street Address (If P.O. Box, see instructions.) 8555 Ocean Street
City Burlington State VT Zip Code 05452
4. Telephone Number (301) 111-0000
5. Loan Period (Month/Year) From 8/95 To 5/96
6. Driver's License Number (List state abbreviation first.) VT 11111111
7. Lender Name USA Bank City Your State US Zip Code 00000
8. Lender Code, if known 007744
9. Date of Birth (Month/Day/Year) 9/25/73

10. References: You must provide two separate references with different U.S. addresses. The first reference should be a parent or legal guardian (if living). Both references must be completed fully.

	1.	2.
Name	Vincent & Melissa Thomas	Tim Fare
Permanent Address	8555 Ocean Street	3310 Draper Drive
City, State, Zip Code	Burlington, VT 05452	Fairfax, VA 22033
Area Code/Telephone	(802) 646-1213	(703) 323-9241
Relationship to Borrower	Parents	Friend

Loan Assistance Requested

11. I request the following loan type(s), to the extent I am eligible (see instructions): ☑ a. Subsidized Federal Stafford ☑ b. Unsubsidized Federal Stafford

12. I request a total amount under these loan types not to exceed (see instructions for loan maximums): My school will certify my eligibility for each loan type for which I am applying. The amount and other details of my loan(s) will be described to me in a disclosure statement. $ 1,407 .00

13. If I check yes, I am requesting postponement (deferment) of repayment for my Stafford and prior SLS loan(s) during the in-school and grace periods. If I check no, I do not want to defer repayment. ☐ a. Yes, I want a deferment ☐ b. No, I do not want a deferment

14. If I check yes, I am requesting that the lender add the interest on my unsubsidized Stafford and prior SLS loan(s) which accrues during the in-school and deferment periods, to my loan principal (capitalization). If I check no, I prefer to pay the interest. ☑ a. Yes, I want my interest capitalized ☐ b. No, I prefer to pay the interest

15. If my school participates in electronic funds transfer (EFT), I authorize the school to transfer the loan proceeds received by EFT to my student account. ☐ a. Yes, transfer funds ☑ b. No, do not transfer funds

Promissory Note

Continued on the reverse side.

Promise to Pay: I promise to pay to the lender, or a subsequent holder of this Promissory Note, all sums disbursed (hereafter "loan" or "loans") under the terms of this Note, plus interest and other fees which may become due as provided in this Note. If I fail to make payments on this Note when due, I will also pay reasonable collection costs, including attorney's fees, court costs, and collection fees. I understand I may cancel or reduce the size of any loan by refusing to accept any disbursement that is issued. I understand that this is a Promissory Note. I will not sign this Note before reading it, including the writing on the reverse side, even if otherwise advised. I am entitled to an exact copy of this Promissory Note and the Borrower's Rights and Responsibilities. My signature certifies I have read, understand, and agree to the terms and conditions of this Application and Promissory Note, including the Borrower Certification and Authorization printed on the reverse side and the accompanying Borrower's Rights and Responsibilities statement.

THIS IS A LOAN(S) THAT MUST BE REPAID.

16. Borrower's Signature Ben Thomas Today's Date (Month/Day/Year) 8/4/95

School Section

To be completed by an authorized school official.

17. School Name Woodrow Wilson University
18. Street Address 1000 Wilson Drive
City Arlington State VA Zip Code 20951
19. Loan Period (Month/Day/Year) From: 8/24/95 To 5/18/96
20. Grade Level 01
21. Enrollment Status (Check one.) ☒ Full Time ☐ At Least Half Time
22. Anticipated Completion (Graduation) Date (Month/Day/Year) 6/1/97
23. School Code/Branch 000000
24. Cost of Attendance $ 5,747 .00
25. Federal Expected Family Contribution $ 0 .00
26. Estimated Financial Aid $ 4,340 .00
27. Certified Loan Amounts
a. Subsidized $ 1,407 .00
b. Unsubsidized $ 0 .00
28. Telephone Number (703) 491-5211
29. Recommended Disbursement Date(s) (Month/Day/Year) 1st 9/24/95 2nd 1/15/96 3rd 4th
30. School Certification (See box on the reverse side.) F.A. Archer
Signature of Authorized School Official
F.A. Archer
Print or Type Name and Title
9/2/95
Date
Check box if electronically transmitted to guarantor ☐

Lender Section

To be completed by an authorized lending official.

31. Lender Name
Street Address
City State Zip Code
32. Lender Code/Branch
33. Telephone Number ( )
34. Lender Use Only
35. Amount(s) Approved a. Subsidized $ .00 b. Unsubsidized $ .00
36. Signature of Authorized Lending Official Print or Type Name, Title, and Date

481

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Application and Promissory Note for Federal Stafford Loans *(subsidized and unsubsidized)*

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Guarantor or Program Identification

Borrower Section

Please print neatly or type. Read the instructions carefully.

1. Last Name Thomas First Name Ben MI
2. Social Security Number 111-11-1111
3. Permanent Street Address (If P.O. Box, see instructions.) 8555 Ocean Street
City Burlington State VT Zip Code 05452
4. Telephone Number 301 111-0000
5. Loan Period (Month/Year) From: 8/95 To: 5/96
6. Driver's License Number (List state abbreviation first.) VT 111 11 1111
7. Lender Name USA Bank City Your State US Zip Code 00000
8. Lender Code, if known 004974
9. Date of Birth (Month/Day/Year) 9/25/73

10. References: You must provide two separate references with different U.S. addresses. The first reference should be a parent or legal guardian (if living). Both references must be completed fully.

	1.	2.
Name	Vincent & Melissa Thomas	Tim Fare
Permanent Address	8555 Ocean Street	3310 Draper Drive
City, State, Zip Code	Burlington, VT 05452	Fairfax, VA 22033
Area Code/Telephone	(802) 546-1213	(703) 323-9241
Relationship to Borrower	Parents	Friend

Loan Assistance Requested

11. I request the following loan type(s), to the extent I am eligible (see instructions): ☑ a. Subsidized Federal Stafford ☑ b. Unsubsidized Federal Stafford

12. I request a total amount under these loan types not to exceed (see instructions for loan maximums): My school will certify my eligibility for each loan type for which I am applying. The amount and other details of my loan(s) will be described to me in a disclosure statement. $ 1,407 .00

13. If I check yes, I am requesting postponement (deferment) of repayment for my Stafford and prior SLS loan(s) during the in-school and grace periods. If I check no, I do not want to defer repayment. ☐ a. Yes, I want a deferment ☐ b. No, I do not want a deferment

14. If I check yes, I am requesting that the lender add the interest on my unsubsidized Stafford and prior SLS loan(s) which accrues during the in-school and deferment periods, to my loan principal (capitalization). If I check no, I prefer to pay the interest. ☑ a. Yes, I want my interest capitalized ☐ b. No, I prefer to pay the interest

15. If my school participates in electronic funds transfer (EFT), I authorize the school to transfer the loan proceeds received by EFT to my student account. ☐ a. Yes, transfer funds ☑ b. No, do not transfer funds

Promissory Note

Continued on the reverse side.

Promise to Pay: I promise to pay to the lender, or a subsequent holder of this Promissory Note, all sums disbursed (hereafter "loan" or "loans") under the terms of this Note, plus interest and other fees which may become due as provided in this Note. If I fail to make payments on this Note when due, I will also pay reasonable collection costs, including attorney's fees, court costs, and collection fees. I understand I may cancel or reduce the size of any loan by refusing to accept any disbursement that is issued. I understand that this is a Promissory Note. I will not sign this Note before reading it, including the writing on the reverse side, even if otherwise advised. I am entitled to an exact copy of this Promissory Note and the Borrower's Rights and Responsibilities. My signature certifies I have read, understand, and agree to the terms and conditions of this Application and Promissory Note, including the Borrower Certification and Authorization printed on the reverse side and the accompanying Borrower's Rights and Responsibilities statement.

THIS IS A LOAN(S) THAT MUST BE REPAID.

16. Borrower's Signature Ben Thomas Today's Date *(Month/Day/Year)* 8/4/95

School Section

To be completed by an authorized school official.

17. School Name
18. Street Address
City State Zip Code
19. Loan Period (Month/Day/Year) From: To:
20. Grade Level
21. Enrollment Status (Check one.) ☐ Full Time ☐ At Least Half Time
22. Anticipated Completion (Graduation) Date (Month/Day/Year)
23. School Code/Branch
24. Cost of Attendance $ .00
25. Federal Expected Family Contribution $ .00
26. Estimated Financial Aid $ .00
27. Certified Loan Amounts
a. Subsidized $ .00
b. Unsubsidized $ .00
28. Telephone Number ( )
29. Recommended Disbursement Date(s) (Month/Day/Year) 1st 2nd 3rd 4th
30. School Certification (See box on the reverse side.)
Signature of Authorized School Official
Print or Type Name and Title
Date
Check box if electronically transmitted to guarantor: ☐

Lender Section

To be completed by an authorized lending official.

31. Lender Name
Street Address
City State Zip Code
32. Lender Code/Branch
33. Telephone Number ( )
34. Lender Use Only
35. Amount(s) Approved a. Subsidized $ .00 b. Unsubsidized $ .00
36. Signature of Authorized Lending Official Print or Type Name, Title, and Date

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SOLUTIONS